



# Gloucester City Council

## Cabinet

**Meeting: Wednesday, 5th December 2018 at 6.00 pm in Civic Suite -  
North Warehouse, The Docks, Gloucester, GL1 2EP**

<b>Membership:</b>	Cllrs. James (Leader of the Council and Cabinet Member for Regeneration and Economy) (Chair), Watkins (Deputy Leader and Cabinet Member for Communities and Neighbourhoods), Cook (Cabinet Member for Environment), Noakes (Cabinet Member for Culture and Leisure), H. Norman (Cabinet Member for Performance and Resources) and Organ (Cabinet Member for Housing and Planning)
<b>Contact:</b>	Democratic and Electoral Services 01452 396126 <a href="mailto:democratic.services@gloucester.gov.uk">democratic.services@gloucester.gov.uk</a>

## AGENDA

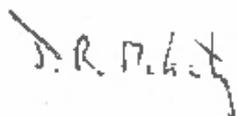
<b>1.</b>	<b>APOLOGIES</b>  To receive any apologies for absence.
<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>  To receive from Members, declarations of the existence of any disclosable pecuniary, or non-pecuniary, interests and the nature of those interests in relation to any agenda item. Please see Agenda Notes.
<b>3.</b>	<b>MINUTES (Pages 7 - 10)</b>  To approve as a correct record the minutes of the meeting held on 7 November 2018.
<b>4.</b>	<b>PUBLIC QUESTION TIME (15 MINUTES)</b>  The opportunity is given to members of the public to put questions to Cabinet Members or Committee Chairs provided that a question does not relate to: <ul style="list-style-type: none"> <li>• Matters which are the subject of current or pending legal proceedings, or</li> <li>• Matters relating to employees or former employees of the Council or comments in respect of individual Council Officers</li> </ul>
<b>5.</b>	<b>PETITIONS AND DEPUTATIONS (15 MINUTES)</b>  To receive any petitions or deputations provided that no such petition or deputation is in relation to: <ul style="list-style-type: none"> <li>• Matters relating to individual Council Officers, or</li> <li>• Matters relating to current or pending legal proceedings</li> </ul>

<p><b>6.</b></p>	<p><b>LEADER AND CABINET MEMBERS' QUESTION TIME (15 MINUTES)</b></p> <p>Any Member of the Council may ask the Leader of the Council or any Cabinet Member any question without prior notice, upon:</p> <ul style="list-style-type: none"> <li>• Any matter relating to the Council's administration</li> <li>• Any matter relating to any report of the Cabinet appearing on the summons</li> <li>• A matter coming within their portfolio of responsibilities</li> </ul> <p>Only one supplementary question is allowed per question.</p>
<p><b>7.</b></p>	<p><b>COMMUNITY BUILDING IN GLOUCESTER</b> (Pages 11 - 22)</p> <p>To consider the report of the Cabinet Member for Communities and Neighbourhoods concerning plans for the medium and long-term delivery of community building activities in Gloucester and gain Cabinet's support for the project.</p>
<p><b>8.</b></p>	<p><b>DRAFT BUDGET PROPOSALS (INCLUDING MONEY PLAN AND CAPITAL PROGRAMME)</b> (Pages 23 - 72)</p> <p>To consider the report of Cabinet Member for Performance and Resources concerning the Money Plan 2019-24 &amp; Budget Proposals 2019/20.</p>
<p><b>9.</b></p>	<p><b>FINANCIAL MONITORING QUARTER 2 REPORT</b> (Pages 73 - 82)</p> <p>To consider the report of the Cabinet Member for Performance and Resources concerning year-end forecasts, and progress made against agreed savings targets for the 2nd quarter ended 30<sup>th</sup> September 2018.</p>
<p><b>10.</b></p>	<p><b>TREASURY MANAGEMENT SIX MONTHLY UPDATE 2017/18</b> (Pages 83 - 94)</p> <p>To consider the report of the Cabinet Member for Performance and Resources concerning treasury management activities between 1<sup>st</sup> April 2018 and 30<sup>th</sup> September 2018.</p>
<p><b>11.</b></p>	<p><b>PERFORMANCE MONITORING QUARTER 2 REPORT</b> (Pages 95 - 114)</p> <p>To consider the report of the Cabinet Member for Performance and Resources concerning the Council's performance against key measures in Quarter 2 of 2018/19.</p>
<p><b>12.</b></p>	<p><b>STRATEGIC RISK REGISTER UPDATE</b> (Pages 115 - 132)</p> <p>To consider the report of the Head of Audit Risk Assurance (Chief Internal Auditor) concerning an update of the Council's Strategic Risk Register.</p>
<p><b>13.</b></p>	<p><b>RISK BASED VERIFICATION</b> (Pages 133 - 150)</p> <p>To consider the report of the Cabinet Member for Performance and resources concerning the annual review of the Risk Based Verification Policy in determining evidence requirements for the assessment of new Housing Benefit and Council Tax Support claims.</p> <p><b>Please note that Appendix 1 is exempt from disclosure to the press and public by virtue of Paragraph 7 of Schedule 12A of the Local Government Act 1972 as amended (information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.). If Members wish to discuss Appendix 1 the Cabinet will need to resolve to exclude the press and public before doing so.</b></p>

**14. REGENERATION AT KINGS QUARTER (Pages 151 - 162)**

To consider the report of the Cabinet Member for Regeneration and Economy concerning regeneration at Kings Quarter.

**Please note that Appendix A is exempt from disclosure to the press and public by virtue of Paragraph 3 (information relating to the financial or business affairs of any particular person, including the authority that holds the information) and paragraph 5 (information in respect of which a claim to legal privilege could be maintained in legal proceedings) of Schedule 12A of the Local Government Act 1972 as amended. If Members wish to discuss Appendix A the Cabinet will need to resolve to exclude the press and public before doing so.**



**Jon McGinty  
Managing Director**

**Date of Publication: Tuesday, 27 November 2018**

## NOTES

### Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a Disclosable Pecuniary Interest are set out in Chapter 7 of the Localism Act 2011.

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 as follows –

<u>Interest</u>	<u>Prescribed description</u>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within the previous 12 months (up to and including the date of notification of the interest) in respect of any expenses incurred by you carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between you, your spouse or civil partner or person with whom you are living as a spouse or civil partner (or a body in which you or they have a beneficial interest) and the Council (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged
Land	Any beneficial interest in land which is within the Council's area.  For this purpose "land" includes an easement, servitude, interest or right in or over land which does not carry with it a right for you, your spouse, civil partner or person with whom you are living as a spouse or civil partner (alone or jointly with another) to occupy the land or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the Council's area for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge) – (a) the landlord is the Council; and (b) the tenant is a body in which you, your spouse or civil partner or a person you are living with as a spouse or civil partner has a beneficial interest
Securities	Any beneficial interest in securities of a body where – (a) that body (to your knowledge) has a place of business or land in the Council's area and (b) either – i. The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or ii. If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, your spouse or civil partner or person with

whom you are living as a spouse or civil partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

For this purpose, "securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

NOTE: the requirements in respect of the registration and disclosure of Disclosable Pecuniary Interests and withdrawing from participating in respect of any matter where you have a Disclosable Pecuniary Interest apply to your interests and those of your spouse or civil partner or person with whom you are living as a spouse or civil partner where you are aware of their interest.

### **Access to Information**

Agendas and reports can be viewed on the Gloucester City Council website: [www.gloucester.gov.uk](http://www.gloucester.gov.uk) and are available to view five working days prior to the meeting date.

For enquiries about Gloucester City Council's meetings please contact Democratic Services, 01452 396126, [democratic.services@gloucester.gov.uk](mailto:democratic.services@gloucester.gov.uk).

If you, or someone you know cannot understand English and need help with this information, or if you would like a large print, Braille, or audio version of this information please call 01452 396396.

### **Recording of meetings**

Please be aware that meetings may be recorded. There is no requirement for those wishing to record proceedings to notify the Council in advance; however, as a courtesy, anyone wishing to do so is advised to make the Chair aware before the meeting starts.

Any recording must take place in such a way as to ensure that the view of Councillors, Officers, the Public and Press is not obstructed. The use of flash photography and/or additional lighting will not be allowed unless this has been discussed and agreed in advance of the meeting.

### **FIRE / EMERGENCY EVACUATION PROCEDURE**

If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by council staff. It is vital that you follow their instructions:

- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building; gather at the assembly point in the car park and await further instructions;
- Do not re-enter the building until told by a member of staff or the fire brigade that it is safe to do so.

This page is intentionally left blank



## CABINET

**MEETING** : Wednesday, 7th November 2018

**PRESENT** : Cllrs. James (Chair), Watkins, Cook, H. Norman and Organ

### **Others in Attendance**

Cllrs Pullen and Coole

Managing Director

Corporate Director

Corporate Director

Head of Place

Head of Policy and Resources

Housing Officer

Solicitor

Democratic Services and Elections Officer

**APOLOGIES** : Cllr. Noakes

### **49. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **51. PUBLIC QUESTION TIME (15 MINUTES)**

A member of the public referred to a resolution of the meeting of 7<sup>th</sup> March 2018 concerning Local Air Quality Management (Minute 105) whereby an air quality action plan for the City was to be completed by autumn 2018 and asked the Cabinet Member for Environment when it would be produced. The Cabinet Member for Environment gave assurance that the matter would be raised with the relevant officers and a written answer provided.

The member of the public further asked if the plan would cover all areas of air quality policy such as creating a greener urban environment and tackling particulates generated by large-scale construction and demolition activity in the city. The Cabinet Member for Environment replied that the Council had recently joined a local air quality partnership between private and public sector organisations intended to give an overarching view of the issue. The Cabinet Member for Communities and Neighbourhoods commented that she was working alongside the Cabinet Member for Environment to address the wider aspects of air quality. She drew attention to work being done by the Gloucestershire Health and Wellbeing Board and the Environment pages of the Council's website where advice for

**CABINET**  
**07.11.18**

residents may be found. The Cabinet Member for Planning and Housing Strategy acknowledged that the growth of the city will impact air quality and commented that this was included in the Joint Core Strategy. He further highlighted Gloucester's relatively good position in the Centre for Cities' latest rankings for emissions but emphasised that this was regarded as a benchmark to be improved upon.

**52. PETITIONS AND DEPUTATIONS (15 MINUTES)**

There were no petitions and deputations.

**53. LEADER AND CABINET MEMBERS' QUESTION TIME (15 MINUTES)**

There were no questions to the Leader or Cabinet.

**54. SEVERE WEATHER EMERGENCY PROTOCOL (SWEP) 2018/2019**

Cabinet considered the report of the Cabinet Member for Communities and Neighbourhoods that sought to update Members on changes made to the Gloucestershire SWEP 2018/2019, including the inclusion of yellow weather warnings that will further support those who are rough sleeping during adverse weather conditions.

The Cabinet Member for Communities and Neighbourhoods highlighted the key changes to the protocol and advised Members that the Overview and Scrutiny Committee had expressed their support. The Cabinet Member for Planning and Housing Strategy further summarised some of the advantages to the extension of the facility. The Cabinet Member for Communities and Neighbourhoods emphasised the importance of increasing general awareness of the SWEP, drew attention to its on-going review and stated that feedback would be welcomed.

**RESOLVED** that changes to the SWEP 2018/2019 definition of 'Extreme Weather' and the additional support and protection this will provide are endorsed and welcomed.

**55. ACCESSING THE PRIVATE RENTED SECTOR FOR TEMPORARY & PERMANENT ACCOMMODATION**

Cabinet considered the report of the Cabinet Member for Communities and Neighbourhoods that sought support for revised incentives to be made to landlords to secure referrals from the local authority to prevent or relieve homelessness.

The Cabinet Member for Communities and Neighbourhoods outlined the background to the report, some of the challenges that the Council faces and the importance of co-operation with the private sector. She thanked officers for their work, especially in building relationships with private landlords to resolve often complex situations. The Cabinet Member for Planning and Housing Strategy commented that the population of the city was rising adding to the pressure and that recognising the contribution of private landlords was vital. He advised Members that the scheme should be reviewed if necessary. The Cabinet Member for Performance and Resources emphasised the importance of doing the right thing for people so they have some stability in their lives. The Cabinet Member for

**CABINET  
07.11.18**

Regeneration and Economy reminded members that the incentives were one of a raft of measures to get people out of homelessness and temporary accommodation and reiterated that they be reviewed at an early stage to ensure effectiveness.

**RESOLVED** that:

- (1) the range of options as outlined in paragraphs 3.3 to 3.7 of the report be approved
- (2) the Head of Communities, in consultation with the Cabinet Member for Communities and Neighbourhoods, be authorised to agree any variations to the scheme or the way in which deposits are protected.

**56. BUSINESS RATES - REQUEST FOR WRITE-OFF APPROVAL OVER £100K**

Cabinet considered the report of the Cabinet Member for Performance and Resources that sought to write off three Non-Domestic Rate debts in excess of £100,000.

The Cabinet Member for Performance and Resources expressed disappointment that this action was necessary but stressed that there was no impact on current budgets and that all possible avenues to recover these debts had been exhausted. She advised Members that the write off would not prevent the debts being pursued should additional information come to light in future. The Cabinet Member for Regeneration and Economy commented that these cases had special circumstances and represented a small percentage of the overall revenue.

**RESOLVED** that the amounts detailed in paragraph 4.0 of the report be written off.

**Time of commencement: 6.00 pm**

**Time of conclusion: 6.25 pm**

**Chair**

This page is intentionally left blank

# Gloucester City Council

<b>Meeting:</b>	<b>Overview and Scrutiny Cabinet</b>	<b>Date:</b>	<b>3 December 2018 5 December 2018</b>
<b>Subject:</b>	<b>Community Building in Gloucester City</b>		
<b>Report Of:</b>	<b>Cabinet Member for Communities and Neighbourhoods</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>Yes</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Anne Brinkhoff, Corporate Director</b>		
	<b>Email: anne.brinkhoff@gloucester.gov.uk</b>	<b>Tel:</b>	<b>396745</b>
<b>Appendices:</b>	<b>1. Vision, mission and principles</b> <b>2. Purpose</b> <b>3. Proposed staffing structure</b> <b>4. Staffing structure in place to-date</b> <b>5. 10 year budget</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 To outline plans for the medium and long-term delivery of community building activities in Gloucester and gain Cabinet's support for the project.

### 2.0 Recommendations

- 2.1 Overview and Scrutiny Committee is asked to consider the information contained in the report and make any recommendations to Cabinet.

- 2.2 Cabinet is asked **RESOLVE** to:

- (1) Agree the vision, mission and principles for a longer-term approach to community building in Gloucester.
- (2) Approve the establishment of a formal partnership agreement with Barnwood Trust to deliver community building in the short-term and to delegate authority to the Corporate Director (Partnerships) in consultation with the Cabinet Member for Communities and Neighbourhoods to finalise arrangements.
- (3) Note the budget, financing and the longer term financial approach to deliver community building in Gloucester.
- (4) Authorise the Corporate Director (Partnerships) to work towards setting up a separate legal entity such as a Community Interest Company (CIC) to undertake community building and to bring a further report back to Cabinet.

- (5) Authorise the Corporate Director (Partnerships) to explore the feasibility of transferring the Gloucester Lottery into a future CIC.
- (6) Commit the 'Your Gloucester' budget (£10k pa) to the project for two years
- (7) Commit £5k per annum of the Gloucester Lottery central fund to the project for two years.
- (8) Acknowledge that fundraising continues, but agree to cover any shortfall for the first two years as set out in section 8 of the report.

### **3.0 Background and Key Issues**

- 3.1 Asset Based Community Development (ABCD) is about growing sustainable communities, building connections between people that live in the area and empowering people to take action on things that are important to them – which will often be different to what statutory/public sector agencies perceive to be important. ABCD is not about setting up new services or groups, although people may come together informally as a result of building connections, but it can contribute or complement priorities of statutory partners as building stronger communities supports people's feeling of safety, well-being and health more broadly. The focus of community building is not on providing specific outputs but about providing stronger community connections which, in turn, will provide increases in wellbeing and health.
- 3.2 Asset based community development has been an approach used by the City Council since 2012 when initially trialled in Podsmead and Matson and later introduced into the 2014 Council Plan. In 2012, our relationship with Barnwood Trust started who have, over time, become unrivalled partners and supporting the development of our community building practice and evaluating our work. Other partners who have been part of our community building journey are the OPCC, Gloucestershire Constabulary, GL Communities, Roots Community Café; Podsmead Big Local, Housing Associations, the CCG, and the Public Health and Adult Social Care teams at the County Council.
- 3.3 For the past 2 years the City Council and Gloucestershire Constabulary have seconded staff to the Barnwood Trust as Community Builders to learn more about the work and the potential of ABCD. An evaluation carried out by Barnwood Trust researchers and Gloucestershire Constabulary has been in process for the duration of these secondments. The learning so far shows that adopting a community building approach reduces peoples' fear of being a victim of crime which directly relates to people having a greater feeling of wellbeing, life satisfaction and improvements in community cohesion. It also has a direct link to peoples' perception of and satisfaction with the work of the Police.
- 3.4 The Council's commitment to ABCD was written into the current Council Plan 2017-2020 with an aspiration to become a centre of Excellence.
- 3.5 The LGA peer challenge in 2017 recommended for us to embed ABCD more into what we do and engage further with frontline staff to achieve this.

- 3.6 Within Gloucestershire, ABCD is an approach increasingly supported by partners such as the Police and Crime Commissioner, Constabulary, County Council and voluntary sector organisations such as Age UK Gloucestershire.
- 3.7 Some local authorities in the country have integrated the ABCD and community building approach into their work. Examples can be seen in Exeter where 'Wellbeing Exeter' sees social prescribing and community building hand in hand, and Wigan Council have used ABCD to create a 'deal' with staff and residents of how each party fulfils their responsibility to the community.
- 3.8 Within Gloucester, ABCD and community building has been happening in a number of wards for periods of time. For example Kingsway had a community builder for 2 years and Kingsholm currently has a community builder for 18 months. This proposal seeks to create a coherent and coordinated project of community building in all wards for a significant period of time.
- 3.9 Strategic county wide prevention projects such as the current work on Adverse Childhood Experiences (ACEs) work ties in directly to ABCD as this work is about building resilience which creates the conditions required for those who have experienced ACEs to recover and lead healthy and active lives as well as avoid the risk of more ACEs impacting on further generations.

#### Vision, Mission and Principles

- 3.10 The Vision of the project is simple and can relate to all of our residents regardless of their ambitions: Gloucester is a great place to live where everyone can have a good life. The vision links well with the strategic focus of key partners for the City and its Communities, including the Health and Wellbeing Board.
- 3.11 The principles of the project are that it is:
- People led – local people are empowered to create the communities that are right for them and involve the activities that they want to engage in.
  - Asset based- focus on what is good about a neighbourhood or community not what is wrong with it.
  - Relationship focused- has a basis of respect, care and engagement.
  - Rooted in local community- pays attention to the specific wants and needs of different groups and doesn't have a 'one size fits all' approach.
  - Everyone can be involved- inclusive, welcoming and based on equality and respect.
- 3.12 The full details of the vision, mission and principles can be found in appendix 1, the purpose in appendix 2 and a proposed staffing structure in appendix 3.

#### An Independent Entity

- 3.13 The establishment of an independent organisation such as a Community Interest Company (CIC) will provide a neutral platform for community building activities which is removed from particular (and often deficit based) purposes of any individual organisation. It is likely to achieve a wider buy-in from communities and a range of partner organisations and would ensure a longer term success of the project. It would enable a joined up, coherent and consistent methodology for community building which is crucial for a scaled up and city wide approach. It also

allows Community Building to happen without the constraints of any one organisation's objectives. In the longer term it enables community building to be led by the community itself.

- 3.14 A CIC will allow the project to apply for funding from a wider range of trusts and grant makers and may, over time, sell services to others.
- 3.15 Other public sector organisations could second staff into the CIC for a period of time to help them in their wider organisational objectives or to equip seconded staff with community building skills which can be transferred into their own organisations to influence and change culture and practice.
- 3.16 The CIC will not be established immediately but will be incorporated at some point in the first 2 years which allows time for the project to start and for governance arrangements to be considered and established. The CIC will then continue in years 3-10 under the long term structure.
- 3.17 In the short-term, it is proposed to enter a formal partnership with Barnwood Trust to commence delivery of this integrated community building approach. Appendix 4 shows the staffing which has been secured through secondments from partners, current and prospective City Council staff.

#### **4.0 Asset Based Community Development (ABCD) Considerations**

- 4.1 This project builds on the development of the Asset Based Community Development approach in Gloucester.

#### **5.0 Alternative Options Considered**

- 5.1 Setting up a dedicated council team to deliver Community Building was considered which has been tried before. This approach does not have the independence required for community work of this nature and the risk is that communities will not engage with the Community Builders as they are seen as part of the Council
- 5.2 Setting up a company, wholly owned by the Council was considered, however, we do not consider that this would be viewed to be independent of the Council and it may still be unable to apply for some funding.

#### **6.0 Reasons for Recommendations**

- 6.1 Community Building is fundamentally inclusive. By setting up an independent CIC we give Community Builders the ability to work across the whole City with everyone, rather than being places within an organisation with specific objectives (inclusion, disability, health, etc).
- 6.2 The success of the project is dependent on City wide buy in and support of the approach. Working in close partnership in this way ensures partners are fully bought in to the project.
- 6.3 Seconding staff in to the project protects staff and minimises the risk for all parties, including the CIC.

6.4 The Gloucester Lottery and the 'Your Gloucester' ABCD fund were established to create opportunities for community groups and voluntary sector partners to carry out community activities. This is thought to be well placed within the CIC as a mechanism for supporting new and evolving community activity quickly and efficiently.

## 7.0 Future Work and Conclusions

7.1 Key milestones for the project are as follows:

- January – March 2019: new structure in place, led by a Manager, with seconded staff starting in a phased way. Intensive programme on training and development. Team located in Barnwood Trust offices
- April 2019: Project Launch and team move to separate office accommodation
- by October 2020: CIC formed
- by April 2021: develop a longer-term funding model.

## 8.0 Financial Implications

8.1 An indicative 10 year budget for the project is attached at appendix 5

8.2 For the purposes of the first two years, salaries for the manager, community builders and team leaders are covered through secondments from partners and the City Council.

8.3 It is considered that the following cash contributions will be available over the first two years:

- £15k pa for two years (Barnwood Trust – training and development)
- £15k pa for two years (Grants through the OPCC)
- £10k pa for two years ('Your Gloucester' fund – Gloucester City Council)
- £5k pa for two years (Central Pot – Gloucester Lottery)

8.4 This leaves the project with a financial gap as set out in table 1 below. Cabinet must note that at the time of writing, fundraising continues and we will endeavour that the shortfall be reduced or met fully by April 2019.

**Table 1**

Outstanding costs to be covered	2019	2020
Evaluation Officer Salary	32,029	32,670
Evaluation Officer On Costs	8,808	8,984
Office Costs	27,170	18,316
Communications Officer (starts 6m	13,585	32,670
Communications Officer On Costs	6,833	8,984
<b>Total</b>	<b>88,425</b>	<b>101,624</b>

8.5 Any additional costs are expected to be met through fundraising and there will be no additional budget requirements.

(Financial Services have been consulted in the preparation this report)

## **9.0 Legal Implications**

- 9.1 The project will require a partnership agreement and secondments to be entered into by the Council and the Barnwood Trust which will remain in place until a new legal structure is set up and ready to operate. During this initial period, the partnership will not be a legal entity and will not have any decision making powers; decisions will need to be taken by the Council and the Barnwood Trust in accordance with their rules.
- 9.2 The Council has powers under the Section 1 of the Localism Act 2011 (the general power of competency) to enter into the partnership arrangement and create a new company to deliver the community building activities envisaged by this report.
- 9.3 The setting up of new legal entity will require consideration of various matters such as the objects of the new entity, its articles of association and members / shareholders' agreement, the composition of the board and its funding requirements.
- 9.4 Should it be necessary for the Council to give a grant to the Barnwood Trust to assist it in meeting its costs of the community building activities, state aid implications need to be considered. Due to the type and the local nature of the activities to be carried out it is unlikely that grant funding would be deemed to affect intra-community trade or considered to be unlawful. If any financial assistance is deemed to be an unlawful state aid, the sum would need to be repaid to the council with interest.
- 9.5 The Gambling Act 2005 governs the running of lotteries and specific legal advice will be required when exploring the feasibility of transferring the Gloucester Lottery to the new legal entity.

(Legal Services have been consulted in the preparation this report)

## **10.0 Risk & Opportunity Management Implications**

- 10.1 Secondees do not have experience of Community Building - we have planned to base the team with Barnwood Trust for at least the first quarter to ensure they are well supported by experienced Community Builders.
- 10.2 Inability to raise funds for the longer term (years 3-10 - we have fundraised for the first two years and during this time the staffing will all be by secondment. If funding beyond the 2 years is not achieved the project will finish.
- 10.3 Loss of partnership support- the project has the support of several partners so one or two partners retracting support will have a notable but not significant impact.

## **11.0 People Impact Assessment (PIA) and Safeguarding:**

- 11.1 This project is fundamentally inclusive and aims to work with all residents in all wards over the 10 year period.
- 11.2 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

## 12.0 Other Corporate Implications

### Community Safety

- 12.1 This project is expected to have a positive impact on community safety over the 10 year period and research suggests that this will be the case.

### Sustainability

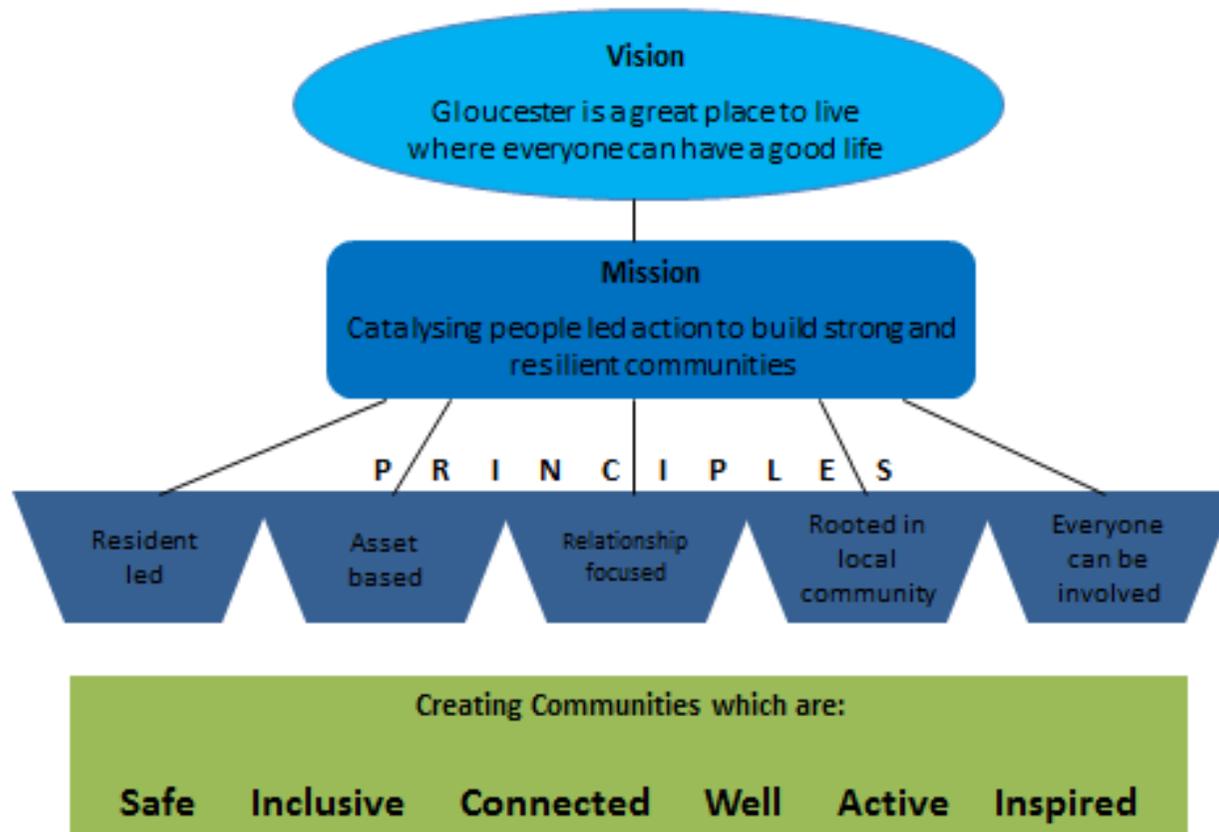
- 12.2 This project is designed to last for 10 years and then come to an end. It is thought that Community Building activity over that period will create extensive activity, connection and engagement in the City and will empower the natural Community Builders in the communities to continue without the need for a project.

### Staffing & Trade Union

- 12.3 Staffing from the City Council will be involved with the work of the CIC through secondments. This will ensure staff continue to benefit from the pay and conditions of the City Council.

**Background Documents:**           None

## Appendix 1



## Community Builders in all wards of Gloucester City ...

### What?

- Deploy a growing team of dedicated community builders within the City, drawn from a range of funding sources / agencies and working towards a common aim and coherent methodology
- Who are rooted within specific communities of place or interest
- Who receive support, guidance and training

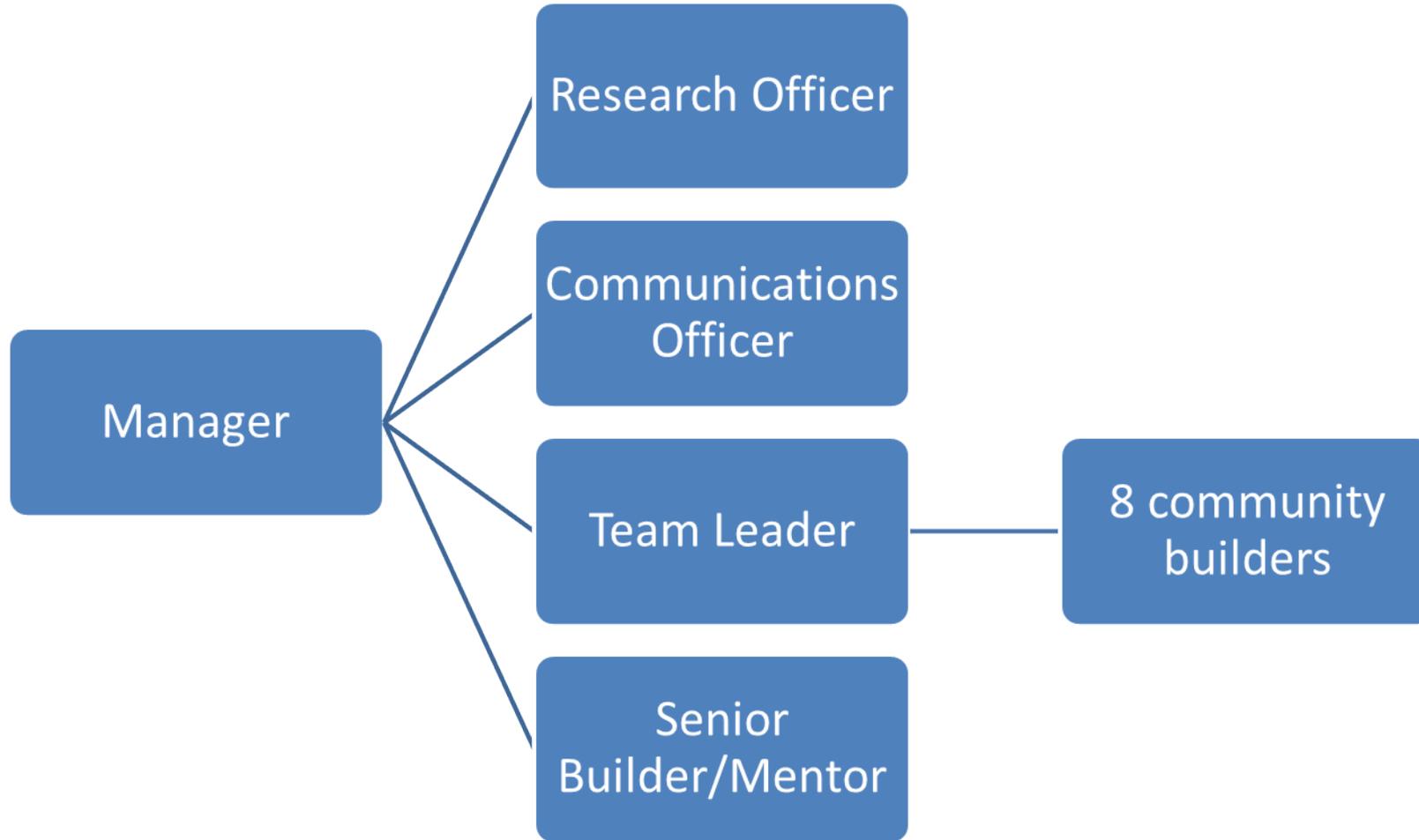
### How?

- Establish an independent delivery mechanism (eg CIC) with governance that reflects a systems approach
- Put in place an evaluation with a focus on:
  - what people experience;
  - noticeable changes in communities;
  - observable changes in the engagement with public sector agencies

### Why?

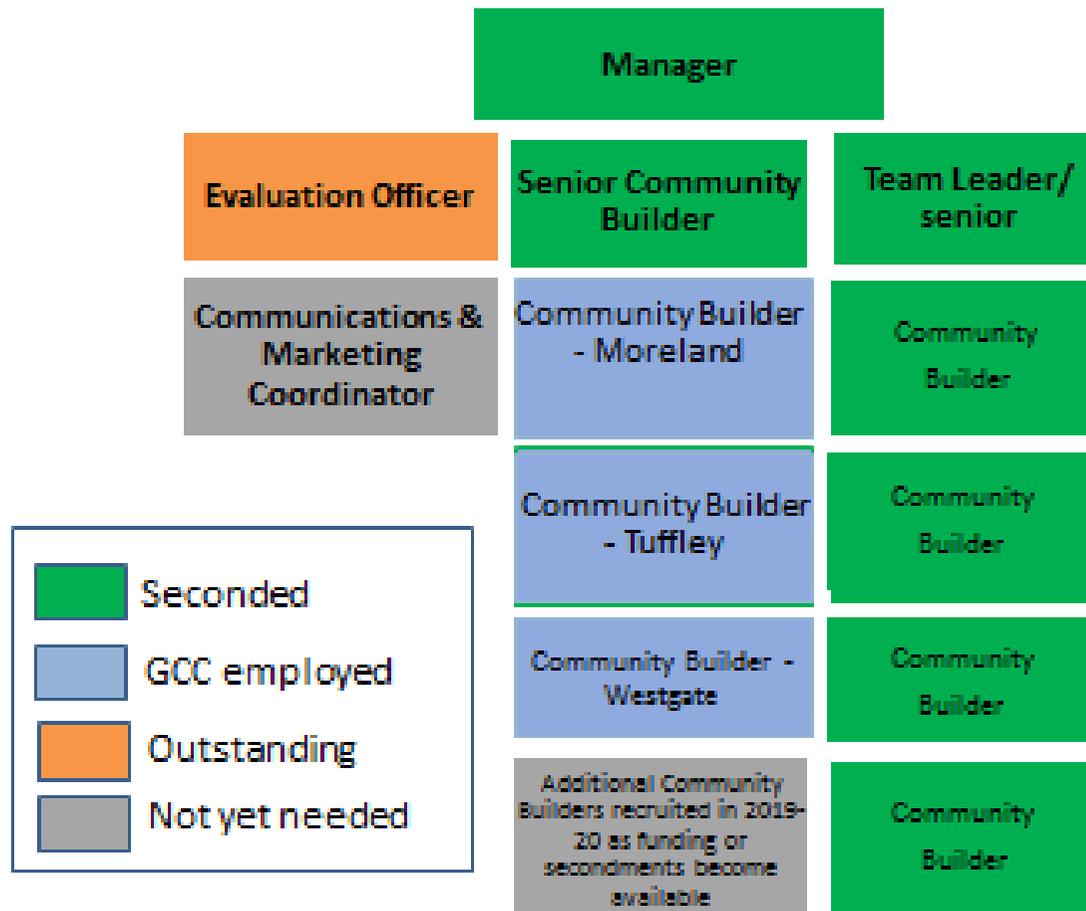
- Improve individuals' and communities' wellbeing, quality of life and resilience
- Grow self-reliance and community spirit within the City
- Ensure coherent strategy for Community Building across Gloucester
- Reduce dependency on the State and increase inter-dependency

**Appendix 3: proposed staffing structure**



Appendix 4: Staffing structure in place to-date

# So far so good!



## Appendix 5 – 10 year budget

	year 1	year 2	year 3	year 4	year 5	year 6	year 7	year 8	year 9	year 10
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
salary costs (13 staff) (1)(18)	£355,214	£362,320	£369,569	£376,962	£384,502	£392,195	£400,041	£408,044	£416,206	£424,530
Employer NI contributions (2)	£35,521	£36,232	£36,957	£37,696	£38,450	£39,219	£40,004	£40,804	£41,621	£42,453
Employer Pension contributions (3)	£62,162	£63,406	£64,675	£65,968	£67,288	£68,634	£70,007	£71,408	£72,836	£74,293
<b>Total Employee related costs</b>	<b>£452,898</b>	<b>£461,958</b>	<b>£471,200</b>	<b>£480,627</b>	<b>£490,240</b>	<b>£500,048</b>	<b>£510,053</b>	<b>£520,256</b>	<b>£530,662</b>	<b>£541,275</b>
Office rental (4)	£14,832	£15,277	£15,735	£16,207	£16,694	£17,194	£17,710	£18,241	£18,789	£19,352
cost of Dell laptop computers x 12 (5) (8) (15)	£8,500	£0	£0	£0	£0	£8,500	£0	£0	£0	£0
cost of Samsung mobile phones x 12 (6) (9) (15)	£2,000	£0	£0	£2,000	£0	£0	£2,000	£0	£0	£0
O2 mobile airtime (7) (9) (16)	£1,545	£1,591	£1,639	£1,688	£1,739	£1,791	£1,845	£1,900	£1,957	£2,016
Business Broadband (7)	£618	£637	£656	£675	£696	£716	£738	£760	£783	£806
Office 365 Business Premium licences (10)	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,801
ICT support costs/recharges (11) (12) (13) (14) (15)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Finance & HR costs/recharges (7)	£5,150	£5,305	£5,464	£5,628	£5,796	£5,970	£6,149	£6,334	£6,524	£6,720
Insurance costs/recharges (7)	£7,725	£7,957	£8,195	£8,441	£8,695	£8,955	£9,224	£9,501	£9,786	£10,079
Community Building budget (17)	£15,000	£15,750	£15,750	£16,538	£16,538	£17,364	£17,364	£18,233	£18,233	£18,233
Training and Development budget (17)	£15,000	£15,750	£15,750	£16,538	£16,538	£17,364	£17,364	£18,233	£18,233	£18,233
<b>Total non-employee related costs</b>	<b>£72,170</b>	<b>£64,066</b>	<b>£64,989</b>	<b>£69,515</b>	<b>£68,494</b>	<b>£79,656</b>	<b>£74,195</b>	<b>£75,002</b>	<b>£76,104</b>	<b>£77,240</b>
<b>Total costs</b>	<b>£525,067.85</b>	<b>£526,024.05</b>	<b>£536,189.25</b>	<b>£550,141.58</b>	<b>£558,734.23</b>	<b>£579,704.31</b>	<b>£584,247.66</b>	<b>£595,257.90</b>	<b>£606,765.63</b>	<b>£618,515.02</b>



<b>Meeting:</b>	<b>Overview &amp; Scrutiny Cabinet</b>	<b>26<sup>th</sup> November 2018</b>
		<b>5<sup>th</sup> December 2018</b>
<b>Subject:</b>	<b>Money Plan 2019-24 &amp; Budget Proposals 2019/20</b>	
<b>Report Of:</b>	<b>Cabinet Member for Performance and Resources</b>	
<b>Wards Affected:</b>	<b>All</b>	
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework: Yes</b>
<b>Contact Officer:</b>	<b>Jon Topping, Head of Policy and Resources</b>	
	<b>Jon.topping@gloucester.gov.uk</b>	<b>Tel: 01452 396242</b>
<b>Appendices:</b>	<ol style="list-style-type: none"> <li><b>1. Money Plan 2019/20 – 2023/24</b></li> <li><b>2. Budget Pressures &amp; Savings</b></li> <li><b>3. Savings Programme</b></li> <li><b>4. Draft 2019/20 – 2023/24 Capital Programme</b></li> <li><b>5. Draft Budget Book</b></li> </ol>	

**FOR GENERAL RELEASE**

**1.0 PURPOSE OF REPORT**

1.1 To review the Council’s Money Plan for recommendation to Council.

**2.0 RECOMMENDATIONS**

2.1 **Cabinet** is asked to **RESOLVE** that:

- (1) That the assumptions contained in the Council’s draft Money Plan from 2019/20 to 2023/24 and revisions to the draft revenue budget be approved.
- (2) That the uncertainties regarding future incomes, as shown in this report and Appendix 1, and the need to update the Draft Money Plan when there is more certainty regarding Central Government financing, be noted.

**3.0 Introduction**

3.1 The Money Plan sets out the Council’s strategic approach to the management of its finances, and presents indicative budgets and Council Tax levels for the medium term. It covers the General Fund Revenue Budget, the Capital Programme and Earmarked Reserves. It also comments on the significant financial risks facing the Council in the forthcoming years and explains what the Council is doing to reduce those risks.

3.2 The main objectives of the Money Plan are to:

- explain the financial context within which the Council is set to work over the medium term;
- provide a medium term forecast of resources and expenditure;
- identify the financial resources needed to deliver the Council’s priority outcomes, in line with the Council’s plan;
- achieve a stable and sustainable budget capable of withstanding financial pressures;

- achieve a balanced base budget, minimising the use of balances to meet recurring baseline spending, with the General Fund balance being maintained at a minimum of 10% of net expenditure by the end of the plan period;
- where possible, additional investment and spending decisions will be made to reflect Council priorities and strategic commitments, with disinvestment and budget savings being made in non-priority areas; and
- ensure capital financing is established at a level that maintains ongoing robustness in the capital programme.

#### **4.0 The Local Government Finance Environment**

- 4.1 The Council's Money plan provides the framework within which revenue spending decisions can be made over the medium term. It is reviewed and updated on an annual basis to take into account any alterations that may be required as a result of changed circumstances. The Money Plan covers a five year period up to 2023/24.
- 4.2 Local Government continues to face a tough financial outlook, with funding pressures set to continue. The Local Government Finance Settlement in recent years has seen unprecedented reductions in formula grant.
- 4.3 The funding position for local authorities for 2020/21 onwards remains uncertain. Central Government is carrying out a "Fair Funding Review" which aims to set out the basis by which funding is allocated across the country between Councils from 2020 onwards. This process will not generally be about redistributing Government grants, as this now forms only a small part of national funding, but about setting the baselines which determine how much local business rates may be retained in each area. These baselines are also due to be reset in 2020.
- 4.4 It is not possible to make a definitive estimate at this stage of what the impact upon the Council will be as the final funding allocation system has not been determined. It is anticipated that Councils will receive their allocations under the new system in mid 2019. It is likely however that the review will see a general movement in funding from lower to upper tier authorities and it is highly probable that funding for Gloucester will reduce. A worst case estimate would see a reduction to baseline however the plan is slightly more optimistic at this stage, and Business Rates forecasts have therefore been reduced by that amount from 2020/21 onwards in the draft Money Plan.
- 4.5 As a result of this uncertainty the draft Money Plan assumes that in 2020/21 a one off draw from Business Rates Reserve will be required. It is vital that any future use of pilot benefits take this requirement into account to protect the Council in the future.

#### **Local Government Finance Settlement 2018/19 and 2019/20**

- 4.6 On the 19<sup>th</sup> December 2017, the secretary of State for Communities and Local Government announced the provisional Local Government settlement for 2018/19. The announcement included the following proposals to be delivered over the spending review period that will potentially affect the Council:
- 75% business rates retention in 2020/21 compared to previous announcements of 100% in the same timeframe.
  - Flexibility for District Councils to increase Council Tax by £5 a year or 3% whichever is the greater.
  - The continued offer of 4 year settlement for Councils that apply through demonstrating an efficiency plan. 2019/20 is year 4 of this offer.
  - The continued ability to use 100% of Capital receipts from 1 April 2016 to assist in funding efficiency reforms
  - Retention of New Homes Bonus, with no current plans to change the provision.

- 4.7 In addition to the detailed proposal for 2018/19, the settlement provided indicative figures for each financial year up to 2020/21. The financial settlement for 2019/20 is expected to be announced on 6<sup>th</sup> December 2018, however as in previous years this date may slip.
- 4.8 The Chancellor delivered his budget on October 29<sup>th</sup> 2018. Following this announcement there were no changes required to the draft Money Plan. The key announcements within the budget regarding local government were as follows;
- £650m additional grant funding for social care in 2019-20.
  - £45m for DFG in 2018-19
  - £84m on 5 years on children's programme
  - £450m for highways authorities

Longer term spending decisions on local government funding will be made in the 2019 spending review.

- 4.9 The Chancellor also announced £675m for a Future High Streets Fund. The fund will serve two purposes:
- Support local areas to prepare long-term strategies for their high streets and town centres, including funding a new High Streets Taskforce to provide expertise and hands-on support to local areas; and
  - Co-fund with local areas projects including:
    - Investment in physical infrastructure including improving public and other transport access, improving flow and circulation within a town / city centre, congestion-relieving infrastructure, other investment in physical infrastructure needed to support new housing and workspace development and existing local communities, and the regeneration of heritage high streets.
    - Investment in land assembly including to support the densification of residential and workspace around high streets in place of under-used retail units.

The fund will also support the regeneration of heritage high streets (up to £55m of the overall fund). This will have two elements:

- Helping to restore historic high street properties through Historic England; and
- Equipping communities with their own resources to put historic buildings back into economic use - for example as residential buildings, new work spaces or cultural venues, supported by the Architectural Heritage Fund.

The application process for expressions of interest are expected to be in the Spring 2019

- 4.10 The Council took up the Government's offer of a 4 year settlement and submitted an efficiency plan prior to the deadline of 14<sup>th</sup> October 2016. There are no expected changes to this offer of certainty to remain over the four years of the offer. 2019/20 is the last year of the four year settlement.
- 4.12 The other key risk is New Homes Bonus (NHB). Government has further consulted on the level of reward and potential reductions to NHB. No further changes have been made to the level of 'deadweight' (i.e. a minimum threshold for housing growth above which NHB payments will be made, currently 0.4%) or a reduction based upon successful planning appeals. If the deadweight is increased further reductions can be expected
- 4.13 The settlement continues to use the 'core spending power' measure. Core spending power is made up of the following elements;

## Settlement Funding Assessments (SFA)

This is made up of;

- Revenue Support Grant
- Baseline Funding Level

The SFA also details level of Tariff on retained business rates and the Safety Net Threshold.

Instead of cutting all SFA by a set percent, Government take into account the ability to raise Council Tax locally. There are four key variables;

- Funding reductions
- Split of reductions between tiers
- Council Tax Base
- Council Tax Rate

## Council Tax Requirement (CTR)

The core spending power assumes district councils will increase Band D Council Tax by whichever is the greater of £5 or 3%. The plan assumes an increase of 3%.

## New Homes Bonus (NHB)

The provisional financial settlement has indicated NHB to be £1.745m for 2018/19 in comparison to £2.687m in 2017/18. Based upon current estimates this is expected to fall further in 2019/20 to £1.192m.

The funding for New Homes Bonus in 2019/20 is the final year agreed in the 2015 Spending Review. The Government has therefore announced plans to consider how funding after this period will be used to incentivise delivery that meets or exceeds local housing need. A small level of funding has been built into the draft Money Plan for the final years of the plan as a prudent estimate.

## **5. Business Rates Retention**

- 5.1 The Business rates to be retained by the authority is forecast to grow gradually over the medium term. This is largely as a result of the inflation linked multiplier of Business Rates rather than significant property growth. There is a reduction in funding estimated for 2020/21 which is the possible impact of the fair funding review (see para 5.3). The detailed picture in relation to that review will not be known until during the 2019/20 financial year and will be reported to members when available.
- 5.2 The authority is participating in the Gloucestershire 100% Business Rates Pilot for 2018/19. The exact gain to the authority is not certain at this stage but current estimates suggest it will be a minimum of £800k. This sum is not included in the base budget for expenditure and when known will be placed within a reserve for future decision by Members in relation to its use. Options will be presented to members when the final amount is known.
- 5.3 During the summer the Government invited all local authorities to submit bids (with a deadline of September 25th) to form pilot areas for testing of a 75% rates retention scheme for 2019/20, such as is intended to be launched nationally in 2020/21. At its meeting of September 5th the Gloucestershire Economic Growth Joint Committee (GEGJC) gave approval for a Gloucestershire Bid, subject to the recommendation of the cross-County group of S151 Officers. That group met on September 12th to consider all the potential risks and rewards around the pilot bid. In particular the main risk is the impact of lost business rates should NHS Foundation Trusts within the County be successful in their legal

case for 80% charitable relief. When bidding for the 100% pilot Government allowed a “no-detriment” clause meaning that authorities effectively would not be worse off as a result of the pilot. This will not be allowed for 75% pilots which leads to the pilot being exposed to additional risk.

- 5.4 It is the belief of that S.151 Group that, even allowing for the potential risks, a 75% retention scheme would bring an overall benefit to Gloucestershire. Therefore, in accordance with the GEGJC decision, a bid has been submitted. As part of the S.151 Officers decision to support the bid, the GEGJC will be asked to reserve a portion of 18/19 gain in a risk reserve. This will offer further protection to Councils against risk in 2019/20.
- 5.5 Under 100% retention, any business rates income generated over the Baseline Funding Level of the Pilot, having taken into account tariffs paid to central government, is retained within the pilot area. There is no levy as there is with the current 50% scheme. The financial modelling undertaken has suggested a level of additional business rate retention in excess of current retention for the whole of Gloucestershire. This figure has been calculated based on a prudent assumption of likely levels of business rates in the financial year. Further growth in the business base could increase this level of retention.
- 5.6 The Government prospectus indicated that the funds generated should be used to support financial stability and sustainability. It was also felt that any bid to Government should reflect the Government’s aim of supporting both adult and children’s social care. Therefore the bid that was made built upon the distribution principles of the existing Gloucestershire Pool and suggested a distribution of:
- 20% towards the Strategic Economic Development Fund
  - 30% towards the six Districts
  - 50% towards the County Council

## **6. General Fund Revenue Budget - Principles and Key Assumptions**

- 6.1 The principles underpinning the proposed revenue strategy are:
- i. Annually, a balanced revenue budget will be set with expenditure limited to the amount of available resources;
  - ii. No long term use of balances to meet recurring baseline expenditure;
  - iii. Resources will be targeted to deliver Corporate Plan priorities and value for money. Any additional investment and spending decisions will be made to reflect Council priorities and strategic commitments.
  - iv. Maintaining the General Fund balance at approximately 10% of net revenue budget. This assumes a minimum level of £1.4m by the end of the plan.
  - v. Year on year savings targets to be met by ongoing efficiency gains, income generation and service transformation.
- 6.2 **Table 1** below, lists the major **assumptions** that have been made over the five years of the strategy:

<b>Table 1</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Council Tax base growth	0.75%	0.75%	0.75%	0.75%	0.75%
Council Tax inflation	2.99%	2.99%	2.99%	2.99%	2.99%
Interest Rates (Earned)	0.5%	0.5%	1.00%	1.50%	2.00%
Inflation – Pay	2%	2%	2%	2%	2%
Inflation – contracts	2.5%	2.5%	2.5%	2.5%	2.5%
Inflation – other income	2.5%	2.5%	2.5%	2.5%	2.5%

## **7. Revenue Budget Increases**

### **Pay and Prices Increases**

- 7.1 A 2% pay award allowance has been included across the five years of the plan. It should be noted that pay awards in Local Government are covered by collective bargaining between employers and trade unions and is not subject to direct control from Central Government. However it is reasonable to assume that Local Government will mirror what happens in the rest of the public sector.
- 7.2 In addition to the increases to reflect employee pay awards, provision has also been made to meet ongoing additional payments to the pension fund required from the employer to recover the deficit.
- 7.3 The pension fund is subject to a triennial actuarial valuation, the most recent of which has been undertaken by Hymans Robertson LLP during 2016, on behalf of Gloucestershire County Council, the pension fund administrator. A £255k increase has been included for 2019/20 with an increase of £100k in each subsequent year.
- 7.4 Prices inflation has been included on selected non-pay items, namely contractual obligations. All other inflationary increases are expected to be absorbed within base budget which represents a real time reduction through efficiency gains.
- 7.5 Prices inflation is included on selected fees and charges at 2.5% for each year of the plan.

### **Cost Pressures and Savings**

- 7.6 Cost pressures and saving are included in **Appendix 2** and total a net cost of £0.084m
- 7.7 The Council entered into an agreement for the Kings Walk Shopping Centre in July 2017 and the money plan reflects the financial benefits this has brought to the revenue budget and General Fund.
- 7.8 Significant cost pressures that have been highlighted through budget monitoring are highlighted at Appendix 2. Some key pressures are highlighted below;
- Pay scale alignment
  - Markets
  - Cultural services
  - Proposals for additional strategy and policy posts through transformation proposals.
  - Housing benefit overpayments recovery as a result of move to Universal Credit.
- 7.9 The budget savings identified in Appendix 2 for 2019/20 relate to a number of areas where actions undertaken by the Council have led to savings or income growth. Some of the key areas are highlighted below;
- Kings Walk rental growth
  - Re-tendering of parking enforcement contract
  - Re-tendering of council insurance contract
  - Further savings agreed with Civica contract

## **8. Efficiency Savings/Income Generation**

- 8.1 The Money Plan forecasts indicate the need for a continued delivery of savings in each year of the Plan.

- 8.2 In February 2018, Council approved the implementation of the target savings for the Money Plan 2018-23. In addition to savings in previous years further savings of £200k in 2018/19 were included.
- 8.3 With the inclusion of assumed settlement figures for 2019/20 and the assumption of further formula grant reductions over the life of the plan, further savings will be required. It must be noted that the agreement entered on Kings Walk has reduced the level of savings required over the draft money plan.
- 8.4 The Local Government Finance Settlement 2018/19 has highlighted that the Council will be required to make significant additional savings. To enable delivery the plan assumes that savings will be front loaded in these years.
- 8.5 Specific actions to achieve the targeted savings will need to be approved as part of the Council's annual budget setting process in each financial year. **Appendix 3** highlights targeted savings for 2019/20 and early proposals for 2020/21. Delivering savings early in 2019/20 reduces the total savings required over the life of the plan.
- 8.6 The efficiencies and budget savings target for 2019/20 is £0.250m.

## **9. Overall Costs**

- 9.1 With the targeted savings included from Table 3, the total costs of the Council (the "Net Budget Requirement") over the five year period of the Money Plan, change from £14.460m in 2019/20 to £13.729m in 2023/24. Any further spending pressures identified in addition to those detailed in **Appendix 2**, over the five year period of the Money Plan, will need to be funded by additional savings.
- 9.2 Summary budget pages for each service are detailed in **Appendix 5 (to follow)**.

## **10. Revenue Funding**

### **Formula Grant / Localised Business Rates / Revenue Support Grant**

- 10.1 Our current grant from Government for 2019/20 comprises two formula driven components - Revenue Support Grant (RSG) and a retained Business Rates target.
- 10.2 As a member of 100% full retention business rates pilot in 2018/19, we forego the equivalent of their Revenue Support Grant (RSG). For Gloucester, this amounts to £0.616m in 2018/19. On the assumption we are not in a pilot in 2019/20 the council will receive RSG of £0.09m.
- 10.3 RSG is expected to cease completely after that year.

### **New Homes Bonus**

- 10.4 New Homes Bonus is a grant that commenced in the 2011/12 financial year and is effectively a reward for increasing the number of residential properties within an area. Whereas previously an increase in the Council Tax base is essentially offset by a reduction in formula grant, central government intends to match-fund the additional Council Tax for each new home for a period of four years.
- 10.5 New Homes Bonus is a significant source of funding for Gloucester City Council. The Council will receive New Homes Bonus in 2018/19 of £1.745, this is forecast to reduce to £1.192m in 2019/20.

### **Council Tax**

10.6 The Local Government Finance Settlement includes Council Tax Requirement (CTR) as part of the Councils 'Core Spending Power'. CTR is assumed to grow as part of the settlement as follows;

- based upon an average growth in Council Tax Base, based upon the years 2013/14 to 2015/16,
- and also increase by an assumed growth based upon CPI at an average of 1.75%.
- assumed increase of £5 or 3% whichever the greater

Therefore to maintain CTR in line with government assumptions the minimum year on year increase should in line with bullet points above.

10.7 The Government has reaffirmed that if the level of Council Tax rise is greater than 3% or £5, whichever being the higher, a referendum would be required. The Money Plan assumes an increase in Council Tax of 2.99%.

## **11. General Fund Balance**

11.1 The estimated level of the general fund balance in each financial year is shown in **Appendix 1**. The General Fund level is at the minimum required level by the end of the Money Plan.

11.2 It should also be noted, that although £1.400m is considered an appropriate level of General Fund balances to retain each year, the position should be reviewed if the Council delivers a budget surplus at year end. The level of savings required over the next few years, is likely to be significant, so any opportunity to phase the transition by increasing and then using General Fund balances, could be considered.

11.3 In the financial year 2019/20 it is proposed to reduce the General Fund by £0.103m.

## **12.0 Capital Programme and Capital Financing**

12.1 The key financial details on capital expenditure and financing in the revised money plan for the 5 years from 2019/20, are shown in detail at **Appendix 4**, and summarised below:

1. Capital programme expenditure of £9.338m. Some key projects are: the Kings Square Development; City Centre Investment Fund, ICT Transformation Projects and externally financed housing projects.
2. Capital financing comprises grants, Capital receipts and borrowing.

12.2 Kings Square is a key deliverable in the overall Kings Quarter regeneration programme. The regeneration of Kings Square is key to delivering the assumed income growth in Kings Walk Shopping Centre and will enhance the opportunities to deliver new income streams in future phases of the Kings Quarter development. The investment in the square will be financed as part of the overall capital programme.

12.3 The capital programme assumes the majority of capital financing will be funded through the use of current and expected future capital receipts, where these are not available it will be met from external grants and borrowing. The future financial commitments will be approved based on specific income generating, or revenue saving business cases to fund the cost of the borrowing. The main exceptions to this policy will be essential works on the Council's buildings and ICT systems, which will result in a reduced maintenance liability or potential increase in asset value and ensure delivery of the Councils transformation programme.

- 12.4 Wherever possible and desirable, additional one-off capital investments on a business case basis will be made, providing corporate objectives are delivered, and financing is available and affordable within existing budgets, or preferably with the provision of a “spend to save” revenue saving on existing budgets.
- 12.5 The strategy on borrowing is to ensure that any borrowing is only undertaken on a business case basis, and is affordable and paid off over the life of the asset.
- 12.6 **Appendix 4** shows the proposed capital budgets for 5 years from 2019/20 incorporating any carried forward capital budgets and new, approved schemes. The capital programme will be updated for any future additions, such as Kings Quarter further development, subject to the required level of approval being made.
- 12.7 The 2016-17 Local Government Finance Settlement provided, “Statutory guidance on the flexible use of Capital receipts”. The Council approved this strategy in February 2017. Where appropriate this flexibility will still be used to fund transformation where Capital receipts are available and the programme fits the requirement to flexibly use Capital receipts.

### **13.0 Earmarked Reserves**

- 13.1 The Council has limited earmarked reserves with the balance at 31 March 2018 being £4.720m, an increase £0.451m on the position at 31 March 2017, consisting of;

• Insurance reserve	£0.010m
• Historic buildings reserve	£0.053m
• Portfolio reserve	£0.060m
• Shopmobility reserve	£0.029m
• Members Allocation reserve	£0.001m
• Repairs reserve	£0.400m
• Environmental reserve	£1.000m
• Regeneration reserve	£0.435m
• VAT Shelter reserve	£0.736m
• Business Rates reserve	£0.834m
• Trading Development reserve	£0.050m
• Land adoption reserve	£0.801m
• Community Builder Reserve	£0.085m
• Planning Grant reserve	£0.065m
• Economic Development Reserve	£0.020m
• Flooding Works Reserve	£0.010m
• Meet & Greet Reserve	£0.004m
• Lottery Reserve	£0.019m
• Police Contribution Reserve	£0.015m
• Great Place Reserve	£0.093m

- 13.2 Where earmarked reserves are not ring fenced for a specific use, then if necessary, these reserves may potentially be used to support the General Fund.
- 13.3 The Council does face significant uncertainty from 2020/21 forwards and it is expected there will be a significant reduction in retained funding from business rates either through reset or the outcomes of the fair funding review. The Council will need to ensure there is sufficient funding in the Business Rates reserve to offset this. The plan assumes £1m will be drawn from this reserve.
- 13.4 During 2018/19 the Council will also draw on earmarked reserves in delivering the transformation program and move from the docks warehouses. Both these important programs will deliver long term benefits to both the Council and residents, however the earmarked reserves will need to return to level to protect the Council going forward.

#### 14.0 Alternative Options Considered

14.1 The Council must set a balanced budget in time to start collecting Council Tax by 1<sup>st</sup> April 2018. Alternative proposals put forward for budget savings will be considered as part of this process.

#### 15.0 ABCD Implications

15.1 There are no ABCD implications as a result of this report.

#### 16.0 Financial Implications

16.1 Contained in the body of the report.

#### 17.0 Legal Implications

17.1 Legislation places a duty on the Council, as the Billing Authority, to calculate its budget requirement for 2019/20. The Council also has a statutory requirement to set a balanced budget.

#### 18.0 Risk & Opportunity Management Implications

18.1 Covered in the report. The budget is prepared based on the information available at the time of writing. The budget pressures facing the Council have, as far as possible, been built into the budget.

18.2 The risks are set out more fully in the report but in summary centre around the continuing economic situation and the impact this is likely to have on the public sector, driving changes to Government funding in future years and the level of the Council's spend from 2019/20 onwards.

18.3 In addition to the risks identified in the report, a list of additional identified risks for both the Draft Money Plan and the Budget for 2019/20, along with the mitigations is also shown below:

Risk Identified	Inherent Risk Evaluation (scale 0-16?, where 16 represents highest risk)		Proposed measures	Residual Risk Evaluation (scale 0-16?, where 16 represents highest risk)	
<ul style="list-style-type: none"> <li>▪ Employee-related costs will be more than assumed</li> <li>▪ Other costs will be more than assumed</li> </ul>	Risk Score	6	<ul style="list-style-type: none"> <li>▪ Figures based on known commitments and estimated future costs. Any further pressures will need to be matched by additional identified savings.</li> </ul>	Risk Score	4
		8			
<ul style="list-style-type: none"> <li>▪ Pension fund contributions will be higher than expected.</li> </ul>	Risk Score	8	<ul style="list-style-type: none"> <li>▪ The financial plan will continue to be reviewed and updated annually for a five year period, based on known changes and informed by the most recent actuarial triennial valuation.</li> </ul>	Risk Score	4
<ul style="list-style-type: none"> <li>▪ Planned budget</li> </ul>	Risk	6	Close monitoring of	Risk	6

reductions will not be achieved  ▪ Impact of Legislative changes on Councils ongoing costs	Score	6	budgets will be carried out in each financial year. ▪ Continuous monitoring of service pressures and ongoing focus on preventative support.  ▪ Previously agreed changes to Council, tax exemptions and discounts, to help fund the shortfall in financing for local support of Council tax.	Score	4
▪ Income from fees, charges and other sources will not be as high as planned	Risk Score	12	▪ Close monitoring of income budgets will be carried out in each financial year.	Risk Score	8
▪ Timing of Capital Receipts will be later than anticipated or lower than estimated ▪ Timing of Capital payments may be earlier than estimated	Risk Score	8	▪ Close monitoring of the timing and payments of capital expenditure/income will be carried out in each financial year. Alternative savings will be identified, or contingency arrangements agreed	Risk Score	4

## 20.0 People Impact Assessment (PIA):

20.1 People Impact Assessments will be carried out for each line of the budget savings, to ensure that all relevant considerations are taken into account.

## 21.0 Other Corporate Implications

1. Community Safety  
None
2. Environmental  
None
3. Staffing  
None
4. Trade Union  
Ongoing discussions with the Trade Union on both the money plan and budget represent a key element of the overall consultation process.

## Background Documents:

Money Plan 2018-23, February 2018

This page is intentionally left blank

## MONEY PLAN 2019-24

	0	1	2	3	4	5
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
<b>1. BASE BUDGET b/fwd</b>	<b>14,555</b>	<b>13,930</b>	<b>14,210</b>	<b>13,688</b>	<b>13,316</b>	<b>13,410</b>
<b>Pay and Price Increases</b>						
Employees pay awards	132	135	138	141	144	147
Employers Increased Pension Costs	255	255	100	100	100	100
Price Increases	182	150	150	150	150	150
Income Inflation	(94)	(94)	(95)	(98)	(100)	(103)
<b>Revised Base Budget</b>	<b>15,030</b>	<b>14,376</b>	<b>14,503</b>	<b>13,981</b>	<b>13,610</b>	<b>13,704</b>
<b>Cost Pressures/Efficiencies</b>						
Ongoing base pressures	774	423	60	10	0	0
Ongoing base efficiencies/Income generation	(1,674)	(339)	(675)	(675)	(200)	(300)
Ongoing base pressure/savings	(900)	84	(615)	(665)	(200)	(300)
<b>2. NET BUDGET REQUIREMENT</b>	<b>14,130</b>	<b>14,460</b>	<b>13,888</b>	<b>13,316</b>	<b>13,410</b>	<b>13,404</b>
<b>Sources of Finance</b>						
Revenue Support Grant		90				
Business Rates Retention	4,889	5,089	4,191	4,274	4,360	4,447
To/From Business Rates Reserve	32		1,000			
New Homes Bonus	1,745	1,192	654	550	450	450
Council Tax Surplus	120	150				
Council Tax	7,307	7,586	7,892	8,194	8,507	8,832
<b>3. TOTAL SOURCES OF FINANCE</b>	<b>14,093</b>	<b>14,107</b>	<b>13,736</b>	<b>13,018</b>	<b>13,317</b>	<b>13,729</b>
<b>Budget Surplus/(Shortfall)</b>	<b>(37)</b>	<b>(353)</b>	<b>(151)</b>	<b>(298)</b>	<b>(93)</b>	<b>325</b>
<b>4. PROPOSED BUDGET SAVINGS</b>	<b>200</b>					
<b>Revised Budget (Shortfall)/Surplus</b>	<b>163</b>	<b>(353)</b>	<b>(151)</b>	<b>(298)</b>	<b>(93)</b>	<b>325</b>
<b>5. FUTURE CHANGES</b>						
Efficiency/Transformation/Income Generation		250	200			
<b>Revised Budget (Shortfall)/Surplus</b>	<b>163</b>	<b>(103)</b>	<b>49</b>	<b>(298)</b>	<b>(93)</b>	<b>325</b>
<b>REVISED NET BUDGET REQUIREMENT c/fwd</b>	<b>13,930</b>	<b>14,210</b>	<b>13,688</b>	<b>13,316</b>	<b>13,410</b>	<b>13,404</b>
<b>6. GENERAL FUND BALANCE</b>						
Opening Balance	1,663	1,636	1,533	1,582	1,284	1,191
Contribution to/(from) General Fund	163	(103)	49	(298)	(93)	325
<b>Closing Balance</b>	<b>1,826</b>	<b>1,533</b>	<b>1,582</b>	<b>1,284</b>	<b>1,191</b>	<b>1,516</b>

**Budget Pressures and Savings**

Appendix 2

**Description****2019/20 2020/21 2021/22 2022/23 2023/24****Ongoing base budget increases**

Democratic Services - Election		20	(20)		
Joint Core Strategy		(40)	(20)		
City Centre Plan	(2)	(70)			
Community Schemes	(20)				
NJC Payscale alignment	45				
Markets	100				
Culture (Museums & Guildhall)	100				
Cultural Anniversary Events	(10)				
Cities Membership	10				
Ignite Proposals	150				
Kings Walk Investment Borrowing Costs		50	50		
Housing Benefit Overpayments	50	100			
<b>Total ongoing Cost Pressures</b>	<b>423</b>	<b>60</b>	<b>10</b>	<b>0</b>	<b>0</b>

**Budget Efficiencies/Income Generation**

Kings Walk Rental Growth	(200)	(300)	(300)		
Parking Contract	(50)				
Kings Walk Investment		(375)	(375)		
Civica Contract	(19)				
Contract Procurements				(200)	(300)
Insurance	(50)				
JCS Budgets	(20)				
<b>Total Ongoing savings</b>	<b>(339)</b>	<b>(675)</b>	<b>(675)</b>	<b>(200)</b>	<b>(300)</b>

**Total****84 (615) (665) (200) (300)**

**Budget Savings Programmes - 2019/20**

**Appendix 3**

<b>Portfolio</b>	<b>Service</b>	<b>Details: aim of the project</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>Comments</b>
Cabinet Member for the Environment	Neighbourhood Services	Energy efficiencies and income generation opportunities	(50)		Energy savings which can be delivered through the Council's operational and non-operational estate.
Cabinet Member for Regeneration	Investment Strategy	Property Investment	(100)	(100)	Investments in line with Property Investment Strategy
	Asset Management	Accommodation review	(100)	(100)	Savings to be delivered through the rationalisation of Council accommodation including the move from the HKP warehouses.
<b>TOTAL</b>			<b>(250)</b>	<b>(200)</b>	
<b>SAVINGS REQUIRED</b>			<b>(353)</b>	<b>(151)</b>	
<b>Contribution to/from General Fund</b>			<b>(103)</b>	<b>49</b>	

**GLOUCESTER CITY COUNCIL**

**FORECAST CAPITAL PROGRAMME AND FINANCING 2019 - 2024**

Scheme	2019 / 20 £000	2020 / 21 £000	2021 / 22 £000	2022 / 23 £000	2023 / 24 £000	2019 - 2024 £000	Scheme details
Kings Quarter development (Kings Square)	1,000	4,000	0	0	0	5,000	Development Costs of Kings Square as part of the Kings Quarter Regeneration Programme
City Centre Investment Fund	182	0	0	0	0	182	Regeneration within the City Centre, larger projects include Cultural Improvements, car parking improvements and Tourist Information Centre relocation.
GCC Building Improvements	100	100	100	100	100	500	Project funding to ensure GCC buildings remain fit for purpose
ICT Projects	50	50	50	50	50	250	Maintain Council ICT infrastructure / capability. To include transformation project ensuring ICT fits the moving requirements of the Council
Housing projects	529	529	529	529	529	2,644	Includes Disabled Facilities Grant which is DCLG funded. Changes to funding arrangements would alter this element of the budget. Other projects include the committed sums for social housing.
Drainage and Flood Protection Works	100	100	20	0	0	220	Flood Protection Capital Fund - External grant funded projects to assist with flood protection.
Ranger Centre Barns/Storage	17	0	0	0	0	17	Creating storage facilities for Countryside Unit.
Robinswood All Paths Projects	49	0	0	0	0	49	Partnership work with Gloucestershire Wildlife trust - improving Robinswood Hill
Horsbere Brook Local Nature Reserve works	76	0	0	0	0	76	Nature Reserve works, part funded by Environment Agency. Project is into 2nd year of 10 year programme.
Play Area Improvement Programme	60	60	60	60	60	300	Concurrent funding improving City play areas
Crematorium Cremator Improvements	0	45	0	45	0	90	Funding to ensure maintenance of crematorium infrastructure
Grant Funded Projects	8	0	0	0	0	8	Includes Alney Island grant project
<b>Total</b>	<b>2,172</b>	<b>4,884</b>	<b>759</b>	<b>784</b>	<b>739</b>	<b>9,338</b>	

Financing Source	2019 / 20 £000	2020 / 21 £000	2021 / 22 £000	2022 / 23 £000	2023 / 24 £000	2019 - 2024 £000
Lottery Grants	0	0	0	0	0	0
External Grants (other)	658	574	494	474	474	2,673
Capital Receipts	514	310	265	310	265	1,664
Borrowing	1,000	4,000	0	0	0	5,000
<b>Sub total</b>	<b>2,172</b>	<b>4,884</b>	<b>759</b>	<b>784</b>	<b>739</b>	<b>9,338</b>

# Gloucester **City Council**

## **REVENUE BUDGET**

**2019/20**

**GENERAL FUND SUMMARY 2019/20**

Gloucester City Council	Proposed Budget 2019/20	Place 2019/20	Communities 2019/20	Cultural and Trading 2019/20	Policy and Resources 2019/20	Senior Management 2019/20
<b>Service Expenditure / Income</b>						
Employees	7,557,590	1,741,651	1,947,733	1,612,513	1,567,322	688,372
Premises	45,667,200	275,000	1,121,000	618,600	43,652,600	-
Transport	80,000	9,600	2,100	27,500	39,200	1,600
Supplies and Services	10,429,860	5,955,600	181,350	819,700	1,263,000	2,210,210
Third Party Payments	3,190,250	267,200	309,800	95,100	2,470,350	47,800
Capital Charges	-	-	-	-	-	-
<b>Expenditure Total</b>	<b>66,924,900</b>	<b>8,249,051</b>	<b>3,561,983</b>	<b>3,173,413</b>	<b>48,992,472</b>	<b>2,947,982</b>
Grants and Contributions	(44,180,437)	(414,460)	(196,252)	(10,100)	(43,395,225)	(164,400)
Fees and Charges	(7,788,925)	(2,109,325)	(386,125)	(2,262,425)	(3,003,350)	(27,700)
Other Income	(6,109,450)	(584,225)	(606,800)	(1,147,900)	(3,770,525)	-
<b>Income Total</b>	<b>(58,078,812)</b>	<b>(3,108,010)</b>	<b>(1,189,177)</b>	<b>(3,420,425)</b>	<b>(50,169,100)</b>	<b>(192,100)</b>
<b>Service Expenditure</b>	<b>8,846,088</b>	<b>5,141,041</b>	<b>2,372,805</b>	<b>(247,012)</b>	<b>(1,176,628)</b>	<b>2,755,882</b>
<b>Corporate Expenditure / (Income)</b>						
Interest Payable	340,100					
Interest Receivable	(535,800)					
Corporate Pension Contribution	3,640,200					
Minimum Revenue Provision	820,200					
Kings Walk Sinking Fund	1,100,000					
Insurance Provision	-					
<b>Net Operating Expenditure</b>	<b>14,210,788</b>					
Council Tax Precept	(7,736,000)					
Retained Business Rates	(5,179,000)					
Use Business Rates Reserve	-					
Revenue Support Grant	-					
New Homes Bonus	(1,192,000)					
<b>Net Council Position</b>	<b>103,788</b>					

**Proposed Budget 2019/20 - Place Service**



Place	Proposed Budget 2019/20	Head of Service 2019/20	City Centre Delivery 2019/20	City Centre Growth 2019/20	City Centre Improvement 2019/20	Amey Contract 2019/20	Licensing 2019/20
Employees	1,741,651	95,169	843,947	72,020	727,115	-	3,400
Premises	275,000	-	-	9,000	249,500	-	16,500
Transport	9,600	-	-	-	9,600	-	-
Supplies and Services	5,955,600	-	29,400	19,000	136,700	5,766,100	4,400
Third Party Payments	267,200	-	207,000	13,500	37,500	-	9,200
Capital Charges	-	-	-	-	-	-	-
<b>Expenditure Total</b>	<b>8,249,051</b>	<b>95,169</b>	<b>1,080,347</b>	<b>113,520</b>	<b>1,160,415</b>	<b>5,766,100</b>	<b>33,500</b>
Grants and Contributions	(414,460)	-	-	-	(83,500)	(325,960)	(5,000)
Fees and Charges	(2,109,325)	-	(833,900)	-	(956,400)	-	(319,025)
Other Income	(584,225)	-	-	-	(53,025)	(520,000)	(11,200)
<b>Income Total</b>	<b>(3,108,010)</b>	<b>-</b>	<b>(833,900)</b>	<b>-</b>	<b>(1,092,925)</b>	<b>(845,960)</b>	<b>(335,225)</b>
<b>Service Expenditure</b>	<b>5,141,041</b>	<b>95,169</b>	<b>246,447</b>	<b>113,520</b>	<b>67,490</b>	<b>4,920,140</b>	<b>(301,725)</b>

<b>Head of Service</b>	<b>Proposed Budget 2019/20</b>
Employees	95,169
Premises	-
Transport	-
Supplies and Services	-
Third Party Payments	-
Capital Charges	-
<b>Expenditure Total</b>	<b>95,169</b>
Grants and Contributions	-
Fees and Charges	-
Other Income	-
<b>Income Total</b>	<b>-</b>
<b>Service Expenditure</b>	<b>95,169</b>

**Service Manager**

Vacant

**Portfolio**

Regeneration and Economy

**Portfolio Holder**

Councillor Paul James

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Head of Place	95,169	-	95,169
<b>Net Service Expenditure</b>	<b>95,169</b>	<b>-</b>	<b>95,169</b>

<b>City Centre Delivery</b>	<b>Proposed Budget 2019/20</b>
Employees	843,947
Premises	-
Transport	-
Supplies and Services	29,400
Third Party Payments	207,000
Capital Charges	-
<b>Expenditure Total</b>	<b>1,080,347</b>
Grants and Contributions	-
Fees and Charges	(833,900)
Other Income	-
<b>Income Total</b>	<b>(833,900)</b>
<b>Service Expenditure</b>	<b>246,447</b>

**Service Manager**  
**Portfolio**  
**Portfolio Holder**

David Evans  
Housing and Planning  
Councillor Colin Organ

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Growth Delivery Manager	78,079	-	78,079
Building Control	45,000	-	45,000
Development Management	544,058	(833,900)	(289,842)
Planning Policy	292,507	-	292,507
Historic Buildings	120,703	-	120,703
<b>Net Service Expenditure</b>	<b>1,080,347</b>	<b>(833,900)</b>	<b>246,447</b>

<b>City Centre Growth</b>	<b>Proposed Budget 2019/20</b>
Employees	72,020
Premises	9,000
Transport	-
Supplies and Services	19,000
Third Party Payments	13,500
Capital Charges	-
<b>Expenditure Total</b>	<b>113,520</b>
Grants and Contributions	-
Fees and Charges	-
Other Income	-
<b>Income Total</b>	<b>-</b>
<b>Service Expenditure</b>	<b>113,520</b>

**Service Manager**  
**Portfolio**  
**Portfolio Holder**

David Evans  
Regeneration and Economy  
Councillor Paul James

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Economic Development	104,520	-	104,520
Kings Quarter Regneration (Business Rates)	9,000	-	9,000
<b>Net Service Expenditure</b>	<b>113,520</b>	<b>-</b>	<b>113,520</b>

<b>City Centre Improvement</b>	<b>Proposed Budget 2019/20</b>
Employees	727,115
Premises	249,500
Transport	9,600
Supplies and Services	136,700
Third Party Payments	37,500
Capital Charges	-
<b>Expenditure Total</b>	<b>1,160,415</b>
Grants and Contributions	(83,500)
Fees and Charges	(956,400)
Other Income	(53,025)
<b>Income Total</b>	<b>(1,092,925)</b>
<b>Service Expenditure</b>	<b>67,490</b>

**Service Manager**

Meyrick Brentnall

**Portfolio**

Environment

**Portfolio Holder**

Councillor Richard Cook

<b>Summary By Service Area 2019-20</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Allotments	5,300	(16,500)	(11,200)
Countryside Unit	132,917	(35,000)	97,917
Environment Manager	61,984	-	61,984
City Centre Improvement	359,386	-	359,386
Streetcare Team	433,427	(225,100)	208,327
Green Waste	12,000	(686,000)	(674,000)
Bulky Waste	-	(77,300)	(77,300)
Parks Management	36,000	(35,000)	1,000
Stray Dogs Service	15,600	-	15,600
Public Toilets	14,300	-	14,300
Sponsorship	-	(18,025)	(18,025)
Flooding and Drainage	89,500	-	89,500
<b>Net Service Expenditure</b>	<b>1,160,415</b>	<b>(1,092,925)</b>	<b>67,490</b>

<b>Amey Contract</b>	<b>Proposed Budget 2019/20</b>
Employees	-
Premises	-
Transport	-
Supplies and Services	5,766,100
Third Party Payments	-
Capital Charges	-
<b>Expenditure Total</b>	<b>5,766,100</b>
Grants and Contributions	(325,960)
Fees and Charges	-
Other Income	(520,000)
<b>Income Total</b>	<b>(845,960)</b>
<b>Service Expenditure</b>	<b>4,920,140</b>

**Service Manager**

Meyrick Brentnall

**Portfolio**

Environment

**Portfolio Holder**

Councillor Richard Cook

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Net Contract Fee and Premises	5,766,100	-	5,766,100
Recycling Grants	-	(325,960)	(325,960)
Recycling Credits	-	(520,000)	(520,000)
<b>Net Service Expenditure</b>	<b>5,766,100</b>	<b>(845,960)</b>	<b>4,920,140</b>

<b>Licensing</b>	<b>Proposed Budget 2019/20</b>
Employees	3,400
Premises	16,500
Transport	-
Supplies and Services	4,400
Third Party Payments	9,200
Capital Charges	-
<b>Expenditure Total</b>	<b>33,500</b>
Grants and Contributions	(5,000)
Fees and Charges	(319,025)
Other Income	(11,200)
<b>Income Total</b>	<b>(335,225)</b>
<b>Service Expenditure</b>	<b>(301,725)</b>

**Service Manager**  
**Portfolio**  
**Portfolio Holder**

Meyrick Brentnall  
Communities and Neighbourhoods  
Councillor Jennie Watkins

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Street Trading Licenses	9,100	(54,000)	(44,900)
Hackney Carriage Licenses	12,900	(123,500)	(110,600)
Taxi Marshalling Scheme	8,000	(5,000)	3,000
Other Licenses	3,500	(152,725)	(149,225)
<b>Net Service Expenditure</b>	<b>33,500</b>	<b>(335,225)</b>	<b>(301,725)</b>

**Proposed Budget 2019/20 - Cultural and Trading Services**

Place	Proposed Budget 2019/20	Head of Service 2019/20	Shopmobility 2019/20	Markets 2019/20	Cultural Development 2019/20	Food and Drink 2019/20	Visitor Experience 2019/20	Cem and Crem 2019/20	Marketing Gloucester 2019/20
Employees	1,612,513	77,300	85,050	57,903	218,810	169,754	531,174	440,501	32,021
Premises	618,600	-	5,600	157,000	118,800	16,600	89,800	230,800	-
Transport	27,500	-	-	-	1,300	-	1,100	25,100	-
Supplies and Services	819,700	-	10,100	26,600	188,500	95,500	220,500	83,300	195,200
Third Party Payments	95,100	-	-	-	56,100	2,000	2,000	35,000	-
Capital Charges	-	-	-	-	-	-	-	-	-
<b>Expenditure Total</b>	<b>3,173,413</b>	<b>77,300</b>	<b>100,750</b>	<b>241,503</b>	<b>583,510</b>	<b>283,854</b>	<b>844,574</b>	<b>814,701</b>	<b>227,221</b>
Grants and Contributions	(10,100)	-	-	-	-	-	(10,100)	-	-
Fees and Charges	(2,262,425)	-	(24,275)	(1,000)	(179,000)	(15,000)	(23,650)	(2,019,500)	-
Other Income	(1,147,900)	-	(800)	(301,300)	(320,300)	(343,000)	(178,000)	(4,500)	-
<b>Income Total</b>	<b>(3,420,425)</b>	<b>-</b>	<b>(25,075)</b>	<b>(302,300)</b>	<b>(499,300)</b>	<b>(358,000)</b>	<b>(211,750)</b>	<b>(2,024,000)</b>	<b>-</b>
<b>Service Expenditure</b>	<b>(247,012)</b>	<b>77,300</b>	<b>75,675</b>	<b>(60,797)</b>	<b>84,210</b>	<b>(74,146)</b>	<b>632,824</b>	<b>(1,209,299)</b>	<b>227,221</b>

<b>Head of Service</b>	<b>Proposed Budget 2019/20</b>
Employees	77,300
Premises	-
Transport	-
Supplies and Services	-
Third Party Payments	-
Capital Charges	-
<b>Expenditure Total</b>	<b>77,300</b>
Grants and Contributions	-
Fees and Charges	-
Other Income	-
<b>Income Total</b>	<b>-</b>
<b>Service Expenditure</b>	<b>77,300</b>

**Service Manager**

Jill Riggs

**Portfolio**

Culture and Leisure

**Portfolio Holder**

Councillor Lise Noakes

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Head of Service	77,300	-	77,300
<b>Net Service Expenditure</b>	<b>77,300</b>	<b>-</b>	<b>77,300</b>

<b>Shopmobility</b>	<b>Proposed Budget 2019/20</b>
Employees	85,050
Premises	5,600
Transport	-
Supplies and Services	10,100
Third Party Payments	-
Capital Charges	-
<b>Expenditure Total</b>	<b>100,750</b>
Grants and Contributions	-
Fees and Charges	(24,275)
Other Income	(800)
<b>Income Total</b>	<b>(25,075)</b>
<b>Service Expenditure</b>	<b>75,675</b>

**Service Manager**  
**Portfolio**  
**Portfolio Holder**

Jill Riggs  
Communities and Neighbourhoods  
Councillor Jennie Watkins

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Shopmobility	100,750	(25,075)	75,675
<b>Net Service Expenditure</b>	<b>100,750</b>	<b>(25,075)</b>	<b>75,675</b>

<b>Markets</b>	<b>Proposed Budget 2019/20</b>
Employees	57,903
Premises	157,000
Transport	-
Supplies and Services	26,600
Third Party Payments	-
Capital Charges	-
<b>Expenditure Total</b>	<b>241,503</b>
Grants and Contributions	-
Fees and Charges	(1,000)
Other Income	(301,300)
<b>Income Total</b>	<b>(302,300)</b>
<b>Service Expenditure</b>	<b>(60,797)</b>

**Service Manager**

Lucy Chilton

**Portfolio**

Regeneration and Economy

**Portfolio Holder**

Councillor Paul James

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Kings Square	3,100	(10,500)	(7,400)
Farmers Market	-	(5,000)	(5,000)
Eastgate Market	219,903	(251,800)	(31,897)
Hempsted	18,500	(35,000)	(16,500)
<b>Net Service Expenditure</b>	<b>241,503</b>	<b>(302,300)</b>	<b>(60,797)</b>

<b>Cultural Development</b>	<b>Proposed Budget 2019/20</b>
Employees	218,810
Premises	118,800
Transport	1,300
Supplies and Services	188,500
Third Party Payments	56,100
Capital Charges	-
<b>Expenditure Total</b>	<b>583,510</b>
Grants and Contributions	-
Fees and Charges	(179,000)
Other Income	(320,300)
<b>Income Total</b>	<b>(499,300)</b>
<b>Service Expenditure</b>	<b>84,210</b>

**Service Manager**

Sarah Gilbert

**Portfolio**

Culture and Leisure

**Portfolio Holder**

Councillor Lise Noakes

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Cultural Development Team	171,455	-	171,455
Guildhall Events	229,303	(241,700)	(12,397)
Guildhall Cinema	34,721	(66,100)	(31,379)
Guildhall Lettings	2,900	(50,000)	(47,100)
Guildhall Workshops	2,000	(2,000)	-
Events	16,593	-	16,593
Culture Trust	30,634	-	30,634
Blackfriars	73,903	(61,500)	12,403
Blackfriars Weddings	24,000	(80,000)	(56,000)
<b>Net Service Expenditure</b>	<b>585,510</b>	<b>(501,300)</b>	<b>84,210</b>

<b>Food and Drink</b>	<b>Proposed Budget 2019/20</b>
Employees	169,754
Premises	16,600
Transport	-
Supplies and Services	95,500
Third Party Payments	2,000
Capital Charges	-
<b>Expenditure Total</b>	<b>283,854</b>
Grants and Contributions	-
Fees and Charges	(15,000)
Other Income	(343,000)
<b>Income Total</b>	<b>(358,000)</b>
<b>Service Expenditure</b>	<b>(74,146)</b>

**Service Manager**

Lucy Chilton

**Portfolio**

Culture and Leisure

**Portfolio Holder**

Councillor Lise Noakes

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Food and Drink team and Guildhall Bar	137,366	(175,500)	(38,134)
The Arbor	146,489	(182,500)	(36,011)
<b>Net Service Expenditure</b>	<b>283,854</b>	<b>(358,000)</b>	<b>(74,146)</b>

<b>Visitor Experience</b>	<b>Proposed Budget 2019/20</b>
Employees	531,174
Premises	89,800
Transport	1,100
Supplies and Services	220,500
Third Party Payments	2,000
Capital Charges	-
<b>Expenditure Total</b>	<b>844,574</b>
Grants and Contributions	(10,100)
Fees and Charges	(23,650)
Other Income	(178,000)
<b>Income Total</b>	<b>(211,750)</b>
<b>Service Expenditure</b>	<b>632,824</b>

**Service Manager**

Lucy Chilton

**Portfolio**

Culture and Leisure

**Portfolio Holder**

Councillor Lise Noakes

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Visitor Experience Team	461,095	-	461,095
Museums Service	141,158	(55,150)	86,008
Gloucester Life Museum	34,100	-	34,100
Tourist Information Centre	208,221	(156,600)	51,621
<b>Net Service Expenditure</b>	<b>844,574</b>	<b>(211,750)</b>	<b>632,824</b>

<b>Cemeteries and Crematorium</b>	<b>Proposed Budget 2019/20</b>
Employees	440,501
Premises	230,800
Transport	25,100
Supplies and Services	83,300
Third Party Payments	35,000
Capital Charges	-
<b>Expenditure Total</b>	<b>814,701</b>
Grants and Contributions	-
Fees and Charges	(2,019,500)
Other Income	(4,500)
<b>Income Total</b>	<b>(2,024,000)</b>
<b>Service Expenditure</b>	<b>(1,209,299)</b>

**Service Manager**

Julienne Reeves

**Portfolio**

Environment

**Portfolio Holder**

Councillor Richard Cook

<b>Summary By Service Area 2019-20</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Cems/Crems Admin	438,201	-	438,201
Crematorium	224,800	(1,706,100)	(1,481,300)
Cemeteries	151,700	(317,900)	(166,200)
<b>Net Service Expenditure</b>	<b>814,701</b>	<b>(2,024,000)</b>	<b>(1,209,299)</b>

<b>Marketing Gloucester and Events</b>	<b>Proposed Budget 2019/20</b>
Employees	32,021
Premises	-
Transport	-
Supplies and Services	195,200
Third Party Payments	-
Capital Charges	-
<b>Expenditure Total</b>	<b>227,221</b>
Grants and Contributions	-
Fees and Charges	-
Other Income	-
<b>Income Total</b>	<b>-</b>
<b>Service Expenditure</b>	<b>227,221</b>

**Service Manager**

Jonathan Lund

**Portfolio**

Culture and Leisure

**Portfolio Holder**

Councillor Lise Noakes

<b>Summary By Service Area 2019-20</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Marketing Gloucester	227,221	-	227,221
<b>Net Service Expenditure</b>	<b>227,221</b>	<b>-</b>	<b>227,221</b>

**Proposed Budget 2019/20 - Communities**

<b>Place</b>	<b>Proposed Budget 2019/20</b>	<b>Head of Service 2019/20</b>	<b>Aspire Client 2019/20</b>	<b>Customer Services 2019/20</b>	<b>Housing 2019/20</b>	<b>Community Wellbeing 2019/20</b>
Employees	1,947,733	87,046	-	442,600	893,199	524,888
Premises	1,121,000	-	-	-	1,114,000	7,000
Transport	2,100	-	-	-	2,100	-
Supplies and Services	181,350	-	-	5,600	72,450	103,300
Third Party Payments	309,800	100	-	100	65,600	244,000
Capital Charges	-	-	-	-	-	-
<b>Expenditure Total</b>	<b>3,561,983</b>	<b>87,146</b>	<b>-</b>	<b>448,300</b>	<b>2,147,349</b>	<b>879,188</b>
Grants and Contributions	(196,252)	-	(30,000)	-	(145,000)	(21,252)
Fees and Charges	(386,125)	-	-	-	(315,000)	(71,125)
Other Income	(606,800)	-	-	-	(606,800)	-
<b>Income Total</b>	<b>(1,189,177)</b>	<b>-</b>	<b>(30,000)</b>	<b>-</b>	<b>(1,066,800)</b>	<b>(92,377)</b>
<b>Service Expenditure</b>	<b>2,372,805</b>	<b>87,146</b>	<b>(30,000)</b>	<b>448,300</b>	<b>1,080,549</b>	<b>786,811</b>

<b>Head of Service</b>	<b>Proposed Budget 2019/20</b>
Employees	87,046
Premises	-
Transport	-
Supplies and Services	-
Third Party Payments	100
Capital Charges	-
<b>Expenditure Total</b>	<b>87,146</b>
Grants and Contributions	-
Fees and Charges	-
Other Income	-
<b>Income Total</b>	<b>-</b>
<b>Service Expenditure</b>	<b>87,146</b>

**Service Manager**

Lloyd Griffiths

**Portfolio**

Communities and Neighbourhoods

**Portfolio Holder**

Councillor Jennie Watkins

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Head of Service	87,146	-	87,146
<b>Net Service Expenditure</b>	<b>87,146</b>	<b>-</b>	<b>87,146</b>

<b>Aspire Client</b>	<b>Proposed Budget 2019/20</b>
Employees	-
Premises	-
Transport	-
Supplies and Services	-
Third Party Payments	-
Capital Charges	-
<b>Expenditure Total</b>	<b>-</b>
Grants and Contributions	(30,000)
Fees and Charges	-
Other Income	-
<b>Income Total</b>	<b>(30,000)</b>
<b>Service Expenditure</b>	<b>(30,000)</b>

**Service Manager**

Lloyd Griffiths

**Portfolio**

Culture and Leisure

**Portfolio Holder**

Councillor Lise Noakes

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Aspire Client	-	(30,000)	(30,000)
<b>Net Service Expenditure</b>	<b>-</b>	<b>(30,000)</b>	<b>(30,000)</b>

<b>Customer Services</b>	<b>Proposed Budget 2019/20</b>
Employees	442,600
Premises	-
Transport	-
Supplies and Services	5,600
Third Party Payments	100
Capital Charges	-
<b>Expenditure Total</b>	<b>448,300</b>
Grants and Contributions	-
Fees and Charges	-
Other Income	-
<b>Income Total</b>	<b>-</b>
<b>Service Expenditure</b>	<b>448,300</b>

**Service Manager**  
**Portfolio**  
**Portfolio Holder**

Bob O'Brien  
Policy and Resources  
Councillor David Norman MBE

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Customer Services Team	448,300	-	448,300
<b>Net Service Expenditure</b>	<b>448,300</b>	<b>-</b>	<b>448,300</b>

<b>Housing</b>	<b>Proposed Budget 2019/20</b>
Employees	893,199
Premises	1,114,000
Transport	2,100
Supplies and Services	72,450
Third Party Payments	65,600
Capital Charges	-
<b>Expenditure Total</b>	<b>2,147,349</b>
Grants and Contributions	(145,000)
Fees and Charges	(315,000)
Other Income	(606,800)
<b>Income Total</b>	<b>(1,066,800)</b>
<b>Service Expenditure</b>	<b>1,080,549</b>

**Service Manager**  
**Portfolio**  
**Portfolio Holder**

Lloyd Griffiths  
Housing and Planning  
Councillor Colin Organ

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Housing and Homelessness Service	1,820,149	(750,000)	1,070,149
Hostels	185,000	(185,000)	-
Private Sector Housing	30,200	(31,800)	(1,600)
HMO Licenses	112,000	(100,000)	12,000
<b>Net Service Expenditure</b>	<b>2,147,349</b>	<b>(1,066,800)</b>	<b>1,080,549</b>

<b>Community Wellbeing</b>	<b>Proposed Budget 2019/20</b>
Employees	524,888
Premises	7,000
Transport	-
Supplies and Services	103,300
Third Party Payments	244,000
Capital Charges	-
<b>Expenditure Total</b>	<b>879,188</b>
Grants and Contributions	(21,252)
Fees and Charges	(71,125)
Other Income	-
<b>Income Total</b>	<b>(92,377)</b>
<b>Service Expenditure</b>	<b>786,811</b>

**Service Manager**

Ruth Saunders

**Portfolio**

Communities and Neighbourhoods

**Portfolio Holder**

Councillor Jennie Watkins

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Voluntary Sector Support	115,000	-	115,000
Community Safety	4,000	-	4,000
Project SOLACE	56,654	(21,252)	35,402
CCTV	84,000	-	84,000
Core Community Wellbeing Team	505,534	(4,500)	501,034
Pest Control	49,000	(32,800)	16,200
Emergency Planning	17,500	-	17,500
Internal Health and Safety	2,500	-	2,500
Pollution Control	20,000	(33,825)	(13,825)
Contaminated Land	25,000	-	25,000
<b>Net Service Expenditure</b>	<b>879,188</b>	<b>(92,377)</b>	<b>786,811</b>

**Proposed Budget 2019/20 - Policy and Resources**

Place	Proposed Budget 2019/20	Head of Service 2019/20	Financial Services 2019/20	Revenues and Benefits 2019/20	Business Support 2019/20	Democratic and Electoral Services 2019/20	Property Management 2019/20	Parking 2019/20
Employees	1,567,322	101,284	233,946	84,084	356,080	403,230	329,765	58,932
Premises	43,652,600	-	30,000	42,138,500	-	-	555,900	928,200
Transport	39,200	100	21,400	-	-	17,700	-	-
Supplies and Services	1,263,000	-	296,800	8,800	26,700	426,500	278,500	225,700
Third Party Payments	2,470,350	-	278,100	2,042,650	88,700	29,800	24,100	7,000
Capital Charges	-	-	-	-	-	-	-	-
<b>Expenditure Total</b>	<b>48,992,472</b>	<b>101,384</b>	<b>860,246</b>	<b>44,274,034</b>	<b>471,480</b>	<b>877,230</b>	<b>1,188,265</b>	<b>1,219,832</b>
Grants and Contributions	(43,395,225)	-	-	(43,395,225)	-	-	-	-
Fees and Charges	(3,003,350)	-	(12,500)	(341,900)	(167,500)	-	(55,000)	(2,426,450)
Other Income	(3,770,525)	-	(25,000)	-	-	-	(3,713,800)	(31,725)
<b>Income Total</b>	<b>(50,169,100)</b>	<b>-</b>	<b>(37,500)</b>	<b>(43,737,125)</b>	<b>(167,500)</b>	<b>-</b>	<b>(3,768,800)</b>	<b>(2,458,175)</b>
<b>Service Expenditure</b>	<b>(1,176,628)</b>	<b>101,384</b>	<b>822,746</b>	<b>536,909</b>	<b>303,980</b>	<b>877,230</b>	<b>(2,580,535)</b>	<b>(1,238,343)</b>

<b>Head of Service</b>	<b>Proposed Budget 2019/20</b>
Employees	101,284
Premises	-
Transport	100
Supplies and Services	-
Third Party Payments	-
Capital Charges	-
<b>Expenditure Total</b>	<b>101,384</b>
Grants and Contributions	-
Fees and Charges	-
Other Income	-
<b>Income Total</b>	<b>-</b>
<b>Service Expenditure</b>	<b>101,384</b>

**Service Manager**

**Portfolio**

**Portfolio Holder**

Jon Topping

Policy and Resources

Councillor Hannah Norman

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Head of Policy and Resources	101,384	-	101,384
<b>Net Service Expenditure</b>	<b>101,384</b>	<b>-</b>	<b>101,384</b>

<b>Financial Services</b>	<b>Proposed Budget 2019/20</b>
Employees	233,946
Premises	30,000
Transport	21,400
Supplies and Services	296,800
Third Party Payments	278,100
Capital Charges	-
<b>Expenditure Total</b>	<b>860,246</b>
Grants and Contributions	-
Fees and Charges	(12,500)
Other Income	(25,000)
<b>Income Total</b>	<b>(37,500)</b>
<b>Service Expenditure</b>	<b>822,746</b>

**Service Manager**

Hadrian Walters / Greg Maw

**Portfolio**

Policy and Resources

**Portfolio Holder**

Councillor Hannah Norman

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Internal Audit	189,900	-	189,900
Corporate Expenses	100,400	-	100,400
Gloucestershire Airport Rent	-	(25,000)	(25,000)
Financial Services	397,383	(12,500)	384,883
Treasury Management	109,600	-	109,600
Procurement	62,963	-	62,963
<b>Net Service Expenditure</b>	<b>860,246</b>	<b>(37,500)</b>	<b>822,746</b>

<b>Revenues and Benefits</b>	<b>Proposed Budget 2019/20</b>
Employees	84,084
Premises	42,138,500
Transport	-
Supplies and Services	8,800
Third Party Payments	2,042,650
Capital Charges	-
<b>Expenditure Total</b>	<b>44,274,034</b>
Grants and Contributions	(43,395,225)
Fees and Charges	(341,900)
Other Income	-
<b>Income Total</b>	<b>(43,737,125)</b>
<b>Service Expenditure</b>	<b>536,909</b>

**Service Manager**

Jon Topping

**Portfolio**

Policy and Resources

**Portfolio Holder**

Councillor Hannah Norman

<b>Summary By Service Area 2019-20</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Council Revenues and Benefits Client	282,584	(1,171,225)	(888,641)
Civica Revenues and Benefits Services	1,852,950	-	1,852,950
Housing Benefit and Subsidy	42,138,500	(42,565,900)	(427,400)
<b>Net Service Expenditure</b>	<b>44,274,034</b>	<b>(43,737,125)</b>	<b>536,909</b>

<b>Business Support</b>	<b>Proposed Budget 2019/20</b>
Employees	356,080
Premises	-
Transport	-
Supplies and Services	26,700
Third Party Payments	88,700
Capital Charges	-
<b>Expenditure Total</b>	<b>471,480</b>
Grants and Contributions	-
Fees and Charges	(167,500)
Other Income	-
<b>Income Total</b>	<b>(167,500)</b>
<b>Service Expenditure</b>	<b>303,980</b>

**Service Manager**

**Portfolio**

**Portfolio Holder**

Tanya Davies

Policy and Resources

Councillor Hannah Norman

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Business Support Team	436,380	(22,500)	413,880
Corporate Vehicles	-	-	-
Land Charges	35,100	(145,000)	(109,900)
<b>Net Service Expenditure</b>	<b>471,480</b>	<b>(167,500)</b>	<b>303,980</b>

<b>Democratic and Electoral Services</b>	<b>Proposed Budget 2019/20</b>
Employees	403,230
Premises	-
Transport	17,700
Supplies and Services	426,500
Third Party Payments	29,800
Capital Charges	-
<b>Expenditure Total</b>	<b>877,230</b>
Grants and Contributions	-
Fees and Charges	-
Other Income	-
<b>Income Total</b>	<b>-</b>
<b>Service Expenditure</b>	<b>877,230</b>

**Service Manager**

**Portfolio**

**Portfolio Holder**

Tanya Davies

Policy and Resources

Councillor Hannah Norman

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Civic Admin	31,500	-	31,500
Members Support	366,200	-	366,200
Democratic Services	389,330	-	389,330
Elections	90,200	-	90,200
<b>Net Service Expenditure</b>	<b>877,230</b>	<b>-</b>	<b>877,230</b>

<b>Property Management</b>	<b>Proposed Budget 2019/20</b>
Employees	329,765
Premises	555,900
Transport	-
Supplies and Services	278,500
Third Party Payments	24,100
Capital Charges	-
<b>Expenditure Total</b>	<b>1,188,265</b>
Grants and Contributions	-
Fees and Charges	(55,000)
Other Income	(3,713,800)
<b>Income Total</b>	<b>(3,768,800)</b>
<b>Service Expenditure</b>	<b>(2,580,535)</b>

**Service Manager**

Mark Foyn

**Portfolio**

Regeneration and Economy

**Portfolio Holder**

Councillor Paul James

<b>Summary By Service Area 2019-20</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Commercial Property Portfolio	120,400	(1,068,900)	(948,500)
Existing Bus Station	26,700	(44,900)	(18,200)
Kings Walk Shopping Centre	230,000	(2,600,000)	(2,370,000)
Docks Complex	403,000	(55,000)	348,000
Christmas Lights	25,000	-	25,000
Asset Management	383,165	-	383,165
<b>Net Service Expenditure</b>	<b>1,188,265</b>	<b>(3,768,800)</b>	<b>(2,580,535)</b>

<b>Parking</b>	<b>Proposed Budget 2019/20</b>
Employees	58,932
Premises	928,200
Transport	-
Supplies and Services	225,700
Third Party Payments	7,000
Capital Charges	-
<b>Expenditure Total</b>	<b>1,219,832</b>
Grants and Contributions	-
Fees and Charges	(2,426,450)
Other Income	(31,725)
<b>Income Total</b>	<b>(2,458,175)</b>
<b>Service Expenditure</b>	<b>(1,238,343)</b>

**Service Manager**  
**Portfolio**  
**Portfolio Holder**

Mark Foyn  
Regeneration and Economy  
Councillor Paul James

<b>Summary By Service Area 2019-20</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Off Street Car Parks	1,194,332	(2,422,875)	(1,228,543)
Castlemeads Car Parks	25,500	(35,300)	(9,800)
<b>Net Service Expenditure</b>	<b>1,219,832</b>	<b>(2,458,175)</b>	<b>(1,238,343)</b>

<b>Senior Management</b>	<b>Proposed Budget 2019/20</b>
Employees	688,372
Premises	-
Transport	1,600
Supplies and Services	2,210,210
Third Party Payments	47,800
Capital Charges	-
<b>Expenditure Total</b>	<b>2,947,982</b>
Grants and Contributions	(164,400)
Fees and Charges	(27,700)
Other Income	-
<b>Income Total</b>	<b>(192,100)</b>
<b>Service Expenditure</b>	<b>2,755,882</b>

**Service Manager**

Jon McGinty

**Portfolio**

Regeneration and Economy

**Portfolio Holder**

Councillor Paul James

<b>Summary By Service Area 2019-20</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Corporate Management Team and Corporate Support	552,872	(79,400)	473,472
IT Client	1,549,700	(27,700)	1,522,000
Legal Services	394,310	-	394,310
Comms Client	88,600	-	88,600
HR Client	362,500	(85,000)	277,500
<b>Net Service Expenditure</b>	<b>2,947,982</b>	<b>(192,100)</b>	<b>2,755,882</b>

This page is intentionally left blank



<b>Meeting:</b>	<b>Overview and Scrutiny Cabinet</b>	<b>Date:</b>	<b>3 December 2018 5 December 2018</b>
<b>Subject:</b>	<b>Financial Monitoring Quarter 2</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance and Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Jon Topping, Head of Policy &amp; Resources</b>		
	<b>Email: jon.topping@gloucester.gov.uk</b>	<b>Tel:</b>	<b>396242</b>
<b>Appendices:</b>	<b>1. Progress against savings targets</b> <b>2. Capital monitoring</b>		

**FOR GENERAL RELEASE**

**1.0 Purpose of Report**

1.1 For Cabinet to note year-end forecasts, and progress made against agreed savings targets for the 2nd quarter ended 30<sup>th</sup> September 2018.

**2.0 Recommendations**

2.1 Overview & Scrutiny Committee is asked to, subject to any recommendations it wishes to make to Cabinet, to **note** the contents of the report.

2.2 Cabinet is asked to **RESOLVE** that it be noted that:

- (1) The savings achieved in year to date total £150k with a further £197k in progress.
- (2) The forecast year end position is currently for a reduction to the Council's General Fund balance of £28k against a budgeted increase of £163k.
- (3) The details of specific budgetary issues identified by officers and the actions being taken to address those issues
- (4) The current level of Capital expenditure as shown on Appendix 2.

**3.0 Background and Key Issues**

3.1 The figures contained within this report forecast the best estimate at the current time of the year-end position on the Council's General Fund.

3.2 A summary table below shows the projected position for each portfolio with a further detailed table analysing the variances in more detail.

3.3 The figures contained within this report are presented by portfolio and are therefore largely not impacted by changes to organisational structure.

#### 4.0 Whole Council Summary

4.1 The forecast position is a small reduction of the Council's General Fund by £28k as shown in the table below. This is a deterioration of £75k since Quarter 1 as shown in the table below.

<b>Council Summary</b>	<b>18/19 Budget</b>	<b>Q2 Actual</b>	<b>18/19 Forecast</b>	<b>Variance</b>	<b>Change from Q1</b>
Regeneration and Economy	(2,823)	1,334	(2,750)	73	42
Communities and Neighbourhoods	1,379	776	1,398	19	29
Performance and Resources	5,315	2,734	5,448	133	(33)
Culture	778	495	1,041	263	80
Planning and Housing	170	(130)	104	(66)	(25)
Environment	4,002	2,499	3,930	(72)	(46)
Corporate and Funding	(8,983)	1,762	(9,143)	(160)	28
<b>Total</b>	<b>(163)</b>	<b>9,469</b>	<b>28</b>	<b>191</b>	<b>75</b>

4.2 This report will primarily focus on the significant changes and risks that have developed or arisen in the Second Quarter. Where such variances have been identified officers will work towards ensuring a balanced position at year end, as was achieved in the previous year. Therefore although the forecast is currently for overspend of £191k; there can be some confidence that this will have been turned into a balanced position by the end of the year.

4.3 The budget monitoring undertaken during 2018/19 will inform if any pressures or opportunities can be included in Money Plan to be presented to Council in February 2019. Both Cabinet and Overview & Scrutiny Committee have previously noted the ongoing pressures in Markets and Cultural services. Officers are working to deliver both income and savings targets; however the plan may need to incorporate these pressures.

4.4 The 2018/19 budget includes a vacancy factor of £260k which is spread across the Council. This saving is met by the period of time to recruit to vacant posts as staff turnover, the Council currently only has minimal vacancies which may cause an in year pressure against this target.

## 5.0 Regeneration and Economy

Regen	18/19 Budget	Q2 Actual	18/19 Forecast	Variance	Change from Q1
Economic Development	213	327	187	(26)	0
Asset Management	899	406	942	43	29
Commercial Property	(3,018)	924	(3,082)	(64)	(10)
Parking	(1,128)	(556)	(1,180)	(52)	4
Senior Management	471	280	469	(2)	(7)
Markets and Street Trading	(261)	(47)	(86)	174	26
<b>Total</b>	<b>(2,823)</b>	<b>1,334</b>	<b>(2,750)</b>	<b>73</b>	<b>42</b>

- 5.1 This portfolio is currently forecasting a deficit against budget of £81k.
- 5.2 The largest contributor to this deficit is Markets and Street Trading. Forecast income levels from rents and service charges remain lower than budgets for both the Eastgate and Hempsted Markets. Ongoing work is being undertaken to maximise occupancy and to seek to increase revenue. A full procurement exercise has commenced with the view to the new contract commencing in the new financial year which is expected to deliver ongoing savings.
- 5.3 The Parking service is forecast to generate a surplus. The contract for the provision of parking management and enforcement has been retendered. The new contract commenced in September and will deliver estimated savings of £25k in 2018/19; and in a full year expected savings will be £50k. Based upon current forecasts income from off street car parks is also expected to deliver a surplus.
- 5.4 Income from Commercial Properties is currently forecast to meet budgeted targets and generate a surplus of £64k in year. The income from Kings Walk which is taken to the General Fund in year has improved the position in relation to Commercial Property.
- 5.5 The anticipated overspend in Asset Management has increased since Quarter 1. This is mostly due to an increase in one-off repair costs. These will be managed through the remainder of the year and if necessary some funds will be transferred from the Repairs Reserve to the General Fund.

## 6.0 Communities and Neighbourhoods

Communities and Neighbourhoods	18/19 Budget	Q2 Actual	18/19 Forecast	Variance	Change from Q1
Voluntary Sector Grants	115	59	115	0	(0)
Community Strategy and Other Projects	149	89	151	2	6
Homelessness	1,035	668	1,100	65	64
Shopmobility	61	20	59	(2)	9
Health and Safety	3	4	3	0	(4)
Private Sector Housing	15	(63)	(30)	(46)	(46)
<b>Total</b>	<b>1,379</b>	<b>776</b>	<b>1,398</b>	<b>20</b>	<b>29</b>

- 6.1 This portfolio is currently forecasting a slight overspend of £20k.
- 6.2 In line with national trends, the Council continues to experience significant increases in the costs of placing homeless families in temporary accommodation; many of whom have complex needs. This increase is a result of having to place more people, allied with an increase in the cost of securing the accommodation types required to house large families and individuals with complex needs. This is largely due to a general shortage of social rented housing or affordable rented housing. These increased costs are partly recoverable through the housing benefit system and steps are being taken to ensure that the amounts recovered are maximised.
- 6.3 A flexible homelessness prevention grant has been received from Central Government and much of this will be used to fund the in-year costs, as well as to develop alternative sources of temporary accommodation provision to reduce pressures in the longer term. As at the end of Quarter 2 an overspend of £65k is forecast for the year.
- 6.4 There has been an improvement in the income forecasts of the Shopmobility Service meaning that it is now hoped that this will be on budget for the year.

## 7.0 Performance and Resources

<b>Performance and Resources</b>	<b>18/19 Budget</b>	<b>Q2 Actual</b>	<b>18/19 Forecast</b>	<b>Variance</b>	<b>Change from Q1</b>
Internal Audit	190	37	179	(11)	0
Financial and Corporate	1,243	920	1,248	5	(1)
Revenues and Benefits Admin	880	1,196	844	(36)	(3)
Housing Subsidy	(427)	(1,255)	(320)	108	(13)
IT	1,530	1,069	1,587	57	4
Human Resources	275	75	275	(0)	(0)
Communications	88	46	91	3	9
Legal Services	390	95	374	(16)	(16)
Contact Centre and Customer Services	412	248	481	69	8
Democratic Services	735	303	688	(47)	(21)
<b>Total</b>	<b>5,315</b>	<b>2,734</b>	<b>5,448</b>	<b>133</b>	<b>(33)</b>

- 7.1 The portfolio is currently forecasting overspend of £133k. Within this figure, however, there are a number of significant variances contributing to that overall position.
- 7.2 The largest forecast variance is against housing subsidy and benefits. The current forecast is to overspend by £108k, however it must be noted that the Council manage in excess of £42m of benefit payments and the smallest percentage change can have a significant impact on this forecast in either direction.
- 7.3 The contact centre and customer services are forecast to overspend by £69k. This is consistent with the Q1 position and is a result of the current increased staffing within this service area.

- 7.4 The current level of IT spending on new products and transformation projects suggests there will be overspend this year due to a number of planned purchases of new systems and software. These budgets are closely monitored and forecasts will be updated as the year progresses. A portion of this spend is likely to be identified as capital and charged to the appropriate capital budget. This is expected to improve the revenue outturn position. The final level of expenditure is difficult to predict at the current time but it is estimated at £57k over budget.
- 7.5 Similar to 2017 the move to the new four year City Council election cycle and the resulting lack of a City election in year has created an underspend in Democratic Services.

## 8.0 Culture and Leisure

Culture	18/19 Budget	Q2 Actual	18/19 Forecast	Variance	Change from Q1
Museums	208	157	357	149	52
Food and Drink	(90)	(14)	(46)	44	26
Guildhall	303	214	348	45	(10)
Aspire Client	(30)	(80)	(30)	(0)	(0)
TIC	98	44	123	25	12
Great Place	20	(83)	20	0	0
Marketing Gloucester	269	257	269	0	0
<b>Total</b>	<b>778</b>	<b>495</b>	<b>1,041</b>	<b>263</b>	<b>80</b>

- 8.1 This portfolio continues to experience budget pressures.
- 8.2 The most significant contributor to the budget deficit is the Museums service which is currently forecast to overspend by £149k. Summer footfall has been down due to the good weather and the absence of a major exhibition. The Cultural & Trading Services team is developing plans for an improved offer at the Museum of Gloucester and these include actions for improving income generation.
- 8.3 The proposed transfer of the Life Museum is now expected to take place in early 2019 so any savings are expected to be delivered during 2019/20. The increase in the expected overspend from the Q1 position is largely a result of additional spend of £30k on repairs to the roof of this museum that are required as part of the transfer process.
- 8.4 The Guildhall has similar pressures and is also reviewing methods of income generation. It is currently forecast to be short of budget by £45k. This is partly due to summer hire levels for Blackfriars being down, especially for use for weddings, as a result of the building works on the nearby student accommodation. It is anticipated that improvements made to the Guildhall website will improve ticket sales, an improved cinema offering and the investment in balcony seating will help narrow this gap by the end of the year. An element of the investment in improvements is likely to be identified as capital expenditure and recharged to an appropriate capital budget.

- 8.5 Food and Drink is currently behind its income target for the year. Plans are being developed to improve the facilities offered at the Guildhall and the self-service offering at the Museum of Gloucester. These changes are expected to have a positive impact on the income levels and will be closely monitored. The Arbor is on target and seeing a consistent level of activity with 2017/18.
- 8.6 All of these areas are part of the new Cultural and Trading Services team in the revised Council structure. It can be seen that financial performance has improved in comparison to the outturn position for 2017/18 and service managers are looking to improve this further.
- 8.7 No variances are expected in the contractual arrangements with Marketing Gloucester and Aspire.

## 9.0 Planning and Housing

<b>Planning and Housing</b>	<b>18/19 Budget</b>	<b>Q2 Actual</b>	<b>18/19 Forecast</b>	<b>Variance</b>	<b>Change from Q1</b>
Housing Strategy and SIB	0	(20)	(20)	(20)	(6)
Planning	170	(109)	124	(46)	(19)
<b>Total</b>	<b>170</b>	<b>(130)</b>	<b>104</b>	<b>(66)</b>	<b>(25)</b>

- 9.1 This portfolio is currently forecast to be underspent by £66k during the year.
- 9.2 Income from Planning Fees provides a significant source of funding for the Service and is currently performing ahead of budget. This is currently expected to be maintained leading to a forecast underspend of £46k. Any fluctuation in the level of income received may have a large financial impact and accordingly this income source will continue be monitored closely during the year.

## 10.0 Environment

<b>Environment</b>	<b>18/19 Budget</b>	<b>Q2 Actual</b>	<b>18/19 Forecast</b>	<b>Variance</b>	<b>Change from Q1</b>
Waste and Streetcare	4,575	2,839	4,617	42	(11)
Neighbourhood Management	44	19	50	6	18
Countryside and Allotments	81	67	109	28	14
Environmental Health	606	254	538	(69)	(33)
Flooding and emergency planning	105	86	104	(1)	1
Head of Service	69	31	62	(7)	(0)
Cemetery and Crematorium	(1,226)	(664)	(1,276)	(50)	(32)
Licensing	(253)	(133)	(274)	(21)	(4)
<b>Total</b>	<b>4,002</b>	<b>2,499</b>	<b>3,930</b>	<b>(72)</b>	<b>(46)</b>

- 10.1 This portfolio is forecast to be underspent by £72k.
- 10.2 As in previous years, the final outturn position on the Amey contract continues to be reliant upon the level of income achieved from the sale of recyclable material.

Based on information received from Amey for sales up to the end of July, there is a shortfall in income up to then of £16k. However, the shortfalls have been decreasing month on month as the Council has been seen to take robust actions to improve the position. Any shortfall in actual income received will be a cost pressure in year; this will be closely monitored during the financial year.

- 10.3 The saving within Environmental Health is largely a result of increased income generation and the securing of a Thriving Communities Grant of £40k.
- 10.4 Income at the Crematorium is forecast to be ahead of target as a result of the operational difficulties currently being encountered at Cheltenham crematorium meaning a higher than usual level of activity at Gloucester.
- 10.5 The overspend within the Countryside and Allotments sector is a result of increased water usage costs resulting from this summer's lengthy dry spell.

#### **11.0 Progress against savings targets**

- 11.1 Full details of the Council's progress against its savings targets are shown at Appendix 1.

#### **12.0 Capital Programme**

- 12.1 The Capital Programme budget for the year is £8m. The expenditure for the period to Quarter 2, including amounts committed totals £4.5m. Quarter 2 reports continued progress on the Bus Station as part of the Kings Quarter development, with the majority of the works completed by the end of September; followed by a successful opening in October.
- 12.2 Quarter 2 has seen the continued investment in the Councils information technology and the relocation of customer services to 92-94 Westgate Street.
- 12.3 The nature of capital projects means that many of them span a number of financial years; budgets are set per project any unspent budgets at the end of any one financial year may be carried forward into the next
- 12.4 A summarised table for the Capital Programme is shown as Appendix 2.

### 13.0 Prompt payment performance

13.1 The Council aims to make payments to all suppliers promptly and in accordance with contract terms. The performance on invoice payments during the quarter is below. The performance in the table shows the strong performance in supplier payments is being maintained.

	<u>July</u>		<u>August</u>		<u>Sept</u>		<u>Qtr 2</u>	
Number paid within 30 days	603	90%	620	84%	481	95%	<b>1,704</b>	<b>89%</b>
Number paid over 30 days	67	20%	120	16%	27	5%	<b>214</b>	<b>11%</b>
Average Days to Pay (from receipt of invoice to payment date)	8		12		6		<b>6</b>	

### 14.0 Asset Based Community Development (ABCD) Considerations

14.1 There are no ABCD implications as a result of this report.

### 15.0 Alternative Options Considered

15.1 When considering how to reduce budgetary pressure or make savings officers explore a wide range of options.

### 16.0 Reasons for Recommendations

16.1 It is a good practice for members to be regularly informed of the current financial position of the Council. This report is intended to make members any of any significant issues in relation to financial standing and any actions that officers are taking in response to identified variances.

### 17.0 Future Work and Conclusions

17.1 Work will continue to reach savings targets or limit in year budget pressures. A further financial monitoring report will be produced for members at the end of the third quarter.

### 18.0 Financial Implications

18.1 All financial implications are contained within the report which is of a wholly financial nature.

### 19.0 Legal Implications

19.1 There are no legal implications from this report

(One Legal have been consulted in the preparation this report.)

## **20.0 Risk & Opportunity Management Implications**

20.1 There are no specific risks or opportunities as a result of this report

## **21.0 People Impact Assessment (PIA):**

21.1 A PIA screening assessment has been undertaken and the impact is neutral. A full PIA is not required.

## **22.0 Other Corporate Implications**

### Community Safety

22.1 None

### Sustainability

22.2 None

### Staffing & Trade Union

22.3 None

**Background Documents:** None

This page is intentionally left blank

# Gloucester City Council

<b>Meeting:</b>	<b>Cabinet Briefing</b>	<b>Date:</b>	<b>15 November 2018</b>
	<b>Audit and Governance Committee</b>		<b>19 November 2018</b>
	<b>Cabinet</b>		<b>5 December 2018</b>
<b>Subject:</b>	<b>Treasury Management Update – Mid Year Report 2018/19</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance and Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Jon Topping, Head of Policy &amp; Resources</b>		
	<b>Email:jon.topping@gloucester.gov.uk</b>		<b>Tel: 396242</b>
<b>Appendices:</b>	<b>1. Prudential and Treasury Indicators</b> <b>2. Interest Rate Forecasts</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly (TMSS, annual and midyear reports). This report covers the six months 1<sup>st</sup> April 2018 to 30<sup>th</sup> September 2018 and therefore, ensures this Council is implementing best practice in accordance with the Code.
- 1.2 This report will highlight issues specific to the Council and also highlight interest rate forecasts as provided by the Council's treasury advisors Link Asset Services.
- 1.3 The body of the report provides an overview of the Councils performance for the first half of 18/19;
- **Appendix 1** highlights the key performance indicators in line with the Councils Treasury Management Strategy.
  - **Appendix 2** Interest Rate Forecast.

### 2.0 Recommendations

- 2.1 Audit and Governance Committee is asked, subject to any recommendations it wishes to make to Cabinet, to note the contents of the report.
- 2.2 Cabinet is asked to **RESOLVE** that the contents of the report be noted.

### 3.0 Annual Investment Strategy

3.1 The Treasury Management Strategy Statement (TMSS) for 2018/19, which includes the Annual Investment Strategy, was approved by the Council on 22<sup>nd</sup> March 2018. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield

3.2 The Council will also aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with highly credit rated financial institutions, using our suggested creditworthiness approach, including a minimum sovereign credit rating, and Credit Default Swap (CDS) overlay information.

3.3 The average level of funds available for investment purposes during the period was £6.5m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme. The Council holds £10m core cash balances for investment purposes (i.e. funds available for more than one year).

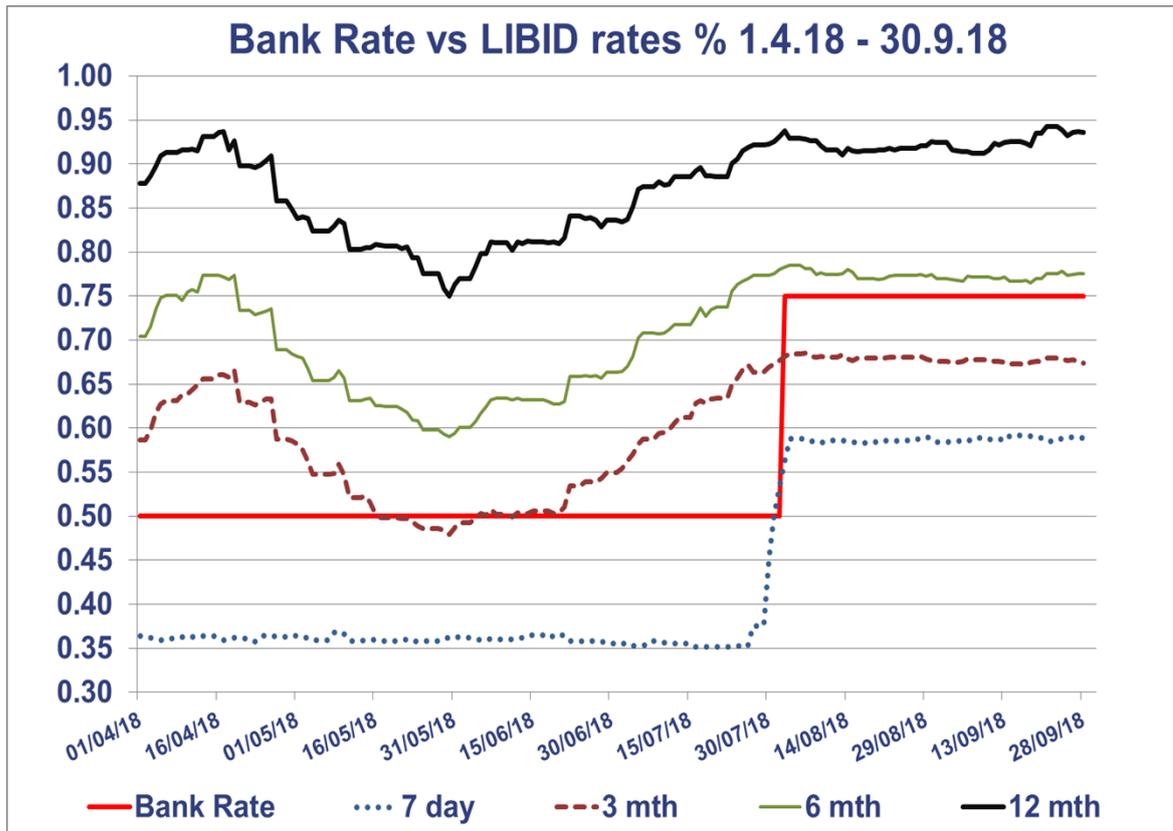
3.4 Investment rates have risen during the period as a result of the increase in Bank Rate in August.

#### Investment performance for the financial year to date as at 30<sup>th</sup> September 2018

Benchmark	Benchmark Return	Council Performance	Investment Interest Earned
7 day	0.44	0.53	£34,470.10
1 month	0.47	n/a	n/a
3 month	0.61	0.61	£23,915.62
6 month	0.71	n/a	n/a
12 month	0.94	n/a	n/a

As illustrated, the Council outperformed the benchmark by 9 bps on 7 day investment returns and matched the benchmark for 3 month investment returns. The Council's budgeted net investment performance for the year to date is in line with the budget.

Interest Rate Profile - Half year ended 30 September 2018



	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.75	0.59	0.60	0.68	0.78	0.94
High Date	02/08/2018	14/09/2018	18/09/2018	06/08/2018	03/08/2018	21/09/2018
Low	0.50	0.35	0.37	0.48	0.59	0.75
Low Date	01/04/2018	19/07/2018	30/05/2018	30/05/2018	30/05/2018	30/05/2018
Average	0.58	0.43	0.47	0.61	0.71	0.87
Spread	0.25	0.24	0.23	0.21	0.19	0.19

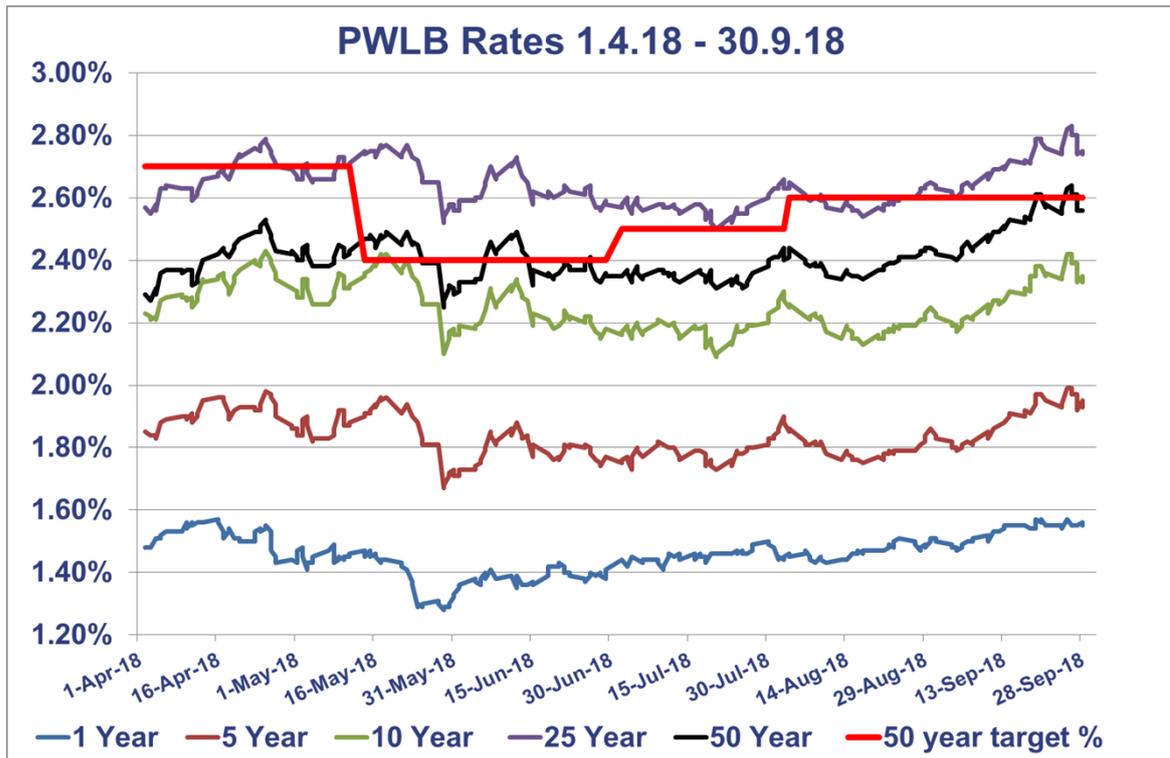
**4.0 New Borrowing**

4.1 It is anticipated that further borrowing will not be undertaken during this financial year.

4.2 No long term borrowing was undertaken during the period.

**4.3 PWLB certainty rates, for the financial year to the 30<sup>th</sup> September 2018**

PWLB rates have not been on any consistent trend during this period. The 50 year PWLB target (certainty) rate for new long term borrowing varied between 2.40% and 2.70% during this period.



	1 Year	5 Year	10 Year	25 Year	50 Year
3.4.18	1.48%	1.84%	2.22%	2.55%	2.27%
30.9.18	1.55%	1.93%	2.33%	2.74%	2.56%
Low	1.28%	1.67%	2.09%	2.50%	2.25%
Date	01/06/2018	29/05/2018	20/07/2018	20/07/2018	29/05/2018
High	1.57%	1.99%	2.43%	2.83%	2.64%
Date	17/04/2018	25/09/2018	25/04/2018	25/09/2018	25/09/2018
Average	1.46%	1.84%	2.25%	2.64%	2.41%

**4.4 Borrowing in advance of need.**

The Council has not borrowed in advance of need during the period ended 30<sup>th</sup> September 2018.

**5.0 Debt Rescheduling**

5.1 Debt rescheduling opportunities have been limited in the current economic climate and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. During the period ended 30<sup>th</sup> September 2018, no debt rescheduling was undertaken.

**6.0 Compliance with Treasury and Prudential Limits**

6.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved TMSS.

6.2 During the financial year to date the Council has operated within the treasury limits set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices.

6.3 The Council debt profile is currently structured on short term borrowing. The Council is able to benefit from reduced costs associated with short term borrowing compared to longer term rates while operating within the Councils borrowing requirements, this strategy will continue to be reviewed in line with market expectations. The prudential and treasury Indicators are shown within Appendix 1.

## **7.0 Other**

7.1 The Council continued to maintain an under-borrowed position in 2018/19.

7.2 This under-borrowing reflects that the Council resources such as reserves and provisions will have reduced debt rather than be externally invested. This strategy is sensible, at this point in time, for two reasons. Firstly, there is no differential between the marginal borrowing rate and investment rate so there is nothing to be gained by investing Council resources externally. Secondly, by using the resources to reduce debt the Council will reduce exposure to investment counterparty risk.

7.3 The Council will continue to monitor its approach to under borrowing in light of market movement and future events.

7.4 The Council has utilised short term borrowing in 2018/19 as part of its overall borrowing strategy, this policy has allowed the Council to benefit from lower interest rates available over the short term, reducing borrowing costs significantly in the short term. Over our current 2018/19 borrowing requirement, the Council has been able to obtain short term borrowing at 0.56% compared to current long term rates at 2.25% for 10 year.

7.5 The Council will continue to monitor its approach to short term borrowing in accordance with our treasury advisor forecasts and future Council events which impact on the Council borrowing requirement.

## **7.6 UK banks – ring fencing**

The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to

assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

#### **7.7 IFRS9 accounting standard**

This accounting standard came into effect from 1<sup>st</sup> April 2018. It means that the category of investments valued under the available for sale category will be removed and any potential fluctuations in market valuations may impact onto the Surplus or Deficit on the Provision of Services, rather than being held on the balance sheet. This change is unlikely to materially affect the commonly used types of treasury management investments but more specialist types of investments, (e.g. pooled funds, third party loans, commercial investments), are likely to be impacted. The impact of this on the Council is in the process of being quantified.

7.8 The Ministry of Housing, Communities and Local Government (MHCLG), are currently conducting a consultation for a temporary override to allow English local authorities time to adjust their portfolio of investments. Members will be updated when the result of this consultation is known.

#### **8.0 Asset Based Community Development (ABCD) Considerations**

8.1 This report notes the treasury management performance of the Council. There are no anticipated ABCD implications from this report.

#### **9.0 Financial Implications**

9.1 Contained in the report.

#### **10.0 Legal Implications**

10.1 There are no legal implications from this report.

(Legal Services have been consulted in the preparation of this report.)

#### **11.0 Risk & Opportunity Management Implications**

11.1 There are no specific risks or opportunities as a result of this report

#### **12.0 People Impact Assessment (PIA):**

12.1 A PIA screening assessment has been undertaken and the impact is neutral. A full PIA is not required.

#### **13.0 Other Corporate Implications**

##### Community Safety

13.1 None

##### Sustainability

13.2 None

##### Staffing & Trade Union

13.3 None

Treasury Indicators for 2018-19 as at 30<sup>th</sup> September 2018

Treasury Indicators	2018/19 Budget £m	30.9.18 Actual £m
Authorised limit for external debt	£120m	£120m
Operational boundary for external debt	£110m	£110m
Gross external debt	£110m	£15m
Investments	n/a	£10m
Net borrowing	£110m	£5m

Maturity structure of fixed and variable rate borrowing - upper and lower limits	%	%
Under 12 months	0% - 100%	71.43%
12 months to 2 years	0% - 100%	0%
2 years to 5 years	0% - 100%	0%
5 years to 10 years	0% - 100%	0%
10 years to 20 years	0% - 100%	0%
20 years to 30 years	0% - 100%	28.57%
30 years to 40 years	0% - 100%	0%
40 years to 50 years	0% - 100%	0%
Upper limit of fixed interest rates based on net debt	100%	71.43%
Upper limit of variable interest rates based on net debt	100%	28.57%

This page is intentionally left blank

### Interest Rates Forecasts

The Council's treasury management advisers, Link Asset Services provided us on 6 August with the following update to their interest rate forecasts.

#### 1. Quarterly Inflation Report and Monetary Policy Committee (MPC) meeting 2 August

- *Our previous forecast was for a first Bank Rate increase to 0.75% in November 2018*
- *This first increase has now happened on 2 August*
- *The sharp downturn in GDP growth in quarter 1 this year has probably turned out to be only a temporary dip due to bad weather, rather than a possible trend*
- *The MPC was more hawkish than expected*

The flow of generally positive economic statistics since the end of the first quarter this year has meant that the MPC had no further reason to sit on its hands and they accordingly pressed the button last week for the first increase in Bank Rate above 0.5% since the financial crash. However, they emphasised again that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time but they declined to give a medium term forecast.

Overall, the MPC was more hawkish than expected, i.e. this indicates a faster pace of increases than previously expected: -

- The MPC vote was 9-0, not 7-2 as expected.
- GDP growth forecast for 2018 was upped from 1.4% to 1.5% and for 2019 from 1.7% to 1.8%; (2020 unchanged).
- The MPC believe the economy will be operating at a small amount of excess demand in 2020, (previously 2021). This is likely to generate an increase in home grown inflationary pressures, (as opposed to imported inflation due to a one off fall in the value of sterling).
- The unemployment rate is expected to fall to 3.9% (equilibrium rate forecast to be 4.25%). N.B. the percentage of the population in employment is also at record highs.
- In addition, the MPC expressed concern at how weak productivity increases have been in recent years and this may lead to a build-up of wage inflation pressures as a result.
- CPI inflation now forecast to be above 2% target in 2 years' time, albeit only @ 2.09%.
- Governor Carney commented that monetary policy would "need to walk, not run, to stand still", i.e. pressures in the economy are expected to build and the MPC will need to take action to keep pace.

#### 2. LINK ASSET SERVICES' FORECASTS

Our interest rate forecasts have, therefore, had to move forward our expected first increase in Bank Rate from November to last week. We do not think that the MPC will increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. We also feel that the MPC is more likely to wait until August 2019, than May 2019, before the next increase, to be followed by the next increases in May and November 2020 to reach 1.5%. There is, therefore, no change in our Bank Rate forecasts apart from the inclusion of the rate increase last week.

Financial markets are now expecting the next increase in Bank Rate to be in February 2019 and then only one more in February 2020, therefore ending March 2021 at only 1.25%. The MPC commented that the markets were too cautious with their view of the pace of increases.

As for forecasts of PWLB rates, there is little change apart from some minor advances of the pace of increase.

However, and this is a VERY BIG caveat, the forecasts above by the MPC and ourselves are predicated on an assumption that sufficient progress is made, in respect of negotiations, to produce a reasonable agreement for Brexit that benefits both the EU and the UK in a sensible manner. If no agreement is reached at all, then our forecasts for increases in Bank rate and PWLB rates will be subject to greater change, most likely downwards.

Forecasts for average investment earnings beyond the three year time horizon will be heavily dependent on economic and political developments.

### **Gilt yields and PWLB rates**

The general situation is for volatility in bond yields to endure as investor fears and confidence ebb and flow between favouring relatively more “risky” assets i.e. equities, or the “safe haven” of government bonds. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently, although there are likely to also be periods of sharp volatility from time to time.

We have pointed out consistently that the Fed. Rate is likely to go up more quickly and more strongly than Bank Rate in the UK. While there is normally a high degree of correlation between the bond yields of both countries, we would expect to see an eventual growing decoupling of yields between the two i.e. we would expect US yields to go up faster than UK yields. Over the period since the start of 2017, there has been a strong correlation between increases in treasury, gilt and bund yields for periods longer than 5 years, although the rate of increase in the UK and Germany has been somewhat lower than in the US. We will need to monitor this area and any resulting effect on PWLB rates.

### **The balance of risks to UK economic growth and Bank Rate increases**

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

### **Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:**

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March of a government which has made a lot of anti-austerity noise. This is likely to lead to friction with the EU when setting the target for the fiscal deficit in the national budget. Unsurprisingly, investors have taken a dim view of this and so Italian bond yields have been rising.
- Austria, the Czech Republic and Hungary now form a strongly anti-immigration bloc within the EU while Italy, this year, has also elected a strongly anti-immigration government. In the German general election of September 2017, Angela Merkel’s CDU party was left in a vulnerable minority position as a result of the rise of the anti-immigration AfD party. To compound this, the result of the Swedish general election in September 2018 has left an anti-immigration party potentially holding the balance of power in forming a coalition government. The challenges from these political developments could put considerable pressure on the cohesion of the EU and could spill over into impacting the euro, EU financial policy and financial markets.
- The imposition of trade tariffs by President Trump could negatively impact world growth. President Trump’s specific actions against Turkey pose a particular risk to its economy which could, in turn, negatively impact Spanish and French banks which have significant exposures to loans to Turkey.
- Weak capitalisation of some European banks.

- Rising interest rates in the US could negatively impact emerging countries which have borrowed heavily in dollar denominated debt, so causing an investor flight to safe havens e.g. UK gilts.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

### Upside risks to current forecasts for UK gilt yields and PWLB rates

- President Trump's fiscal plans to stimulate economic expansion causing a significant increase in inflation in the US and causing further sell offs of government bonds in major western countries.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

Our forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU, (apart from the departure of the UK), within our forecasting time period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth. However, the current round of increases in tariff rates sparked by President Trump, both actual and threatened, are causing increasing concern around the potential impact on world growth and also on inflationary pressures, e.g. in the US.

We would, as always, remind clients of the view that we have expressed in our previous interest rate revision newsflashes of just how unpredictable PWLB rates and bond yields are at present. Our revised forecasts are based on the Certainty Rate (minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Link Asset Services Interest Rate View											
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.75%	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.85%	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

BANK RATE	now	previously
Q1 2019	0.75%	0.75%
Q1 2020	1.00%	1.00%
Q1 2021	1.50%	1.50%

**Borrowing advice:** although rates have risen from their low points, particularly in periods up to 10 years, longer term rates are still historically low and borrowing should be considered if appropriate to your strategy. We still see value in the 40 years to 50 years range, but note the curve has flattened considerably from 10 years out. Value, however, in the 40-50 years part of the curve may be negated if Bank Rate does not climb to at least 2.5% over the medium term. Accordingly, clients will need to review and assess their risk appetite in terms of any underlying borrowing requirement they may have, and also project forward their position in respect of cash backed resources.

Any new borrowing should also take into account the continuing cost of carry, the difference between investment earnings and borrowing rates, especially as our forecasts indicate that Bank Rate may rise to only 1.50% by December 2020.

Our suggested budgeted investment earnings rates for investments up to about three months' duration in each financial year for the next seven years are as follows: -

Average earnings in each year	Now	Previously
2018/19	0.75%	0.75%
2019/20	1.00%	1.00%
2020/21	1.50%	1.25%
2021/22	1.75%	1.50%
2022/23	1.75%	1.75%
2023/24	2.00%	2.00%
Later years	2.75%	2.75%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts. The general expectation for an eventual trend of gently rising gilt yields and PWLB rates is unchanged. Negative, (or positive), developments could significantly impact safe-haven flows of investor money into UK, US and German bonds and produce shorter term movements away from our central forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps.

Naturally, we continue to monitor events and will update our forecasts as and when appropriate.



<b>Meeting:</b>	<b>Cabinet Overview and Scrutiny Committee</b>	<b>Date:</b>	<b>5 December 2018 7 January 2019</b>
<b>Subject:</b>	<b>Performance Monitoring Quarter 2 2018/19</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance and Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Tanya Davies, Policy and Governance Manager</b>		
	<b>Email:</b>	<b><a href="mailto:tanya.davies@gloucester.gov.uk">tanya.davies@gloucester.gov.uk</a></b>	<b>Tel: 39-6125</b>
<b>Appendices:</b>	<b>1. Performance Report Quarter 1 2018-19</b>		

**FOR GENERAL RELEASE**

**1.0 Purpose of Report**

1.1 The purpose of this report is to inform Members of the Council’s performance against key measures in Quarter 2 of 2018/19.

**2.0 Recommendations**

2.1 **Cabinet** is asked to **RESOLVE** that the Quarter 2 Performance Report 2018/19 at Appendix 1 be noted.

2.2 **Overview & Scrutiny Committee** is asked to **RESOLVE** that the Quarter 2 Performance Report 2018/19 at Appendix 1 be noted.

**3.0 Background and Key Issues**

3.1 This report sets out the Council’s performance against a set of 26 key indicators in the second quarter of 2018/19. Corporate KPIs where data is collected annually have been excluded from this report and will be reported in the Year End report only.

3.2 Appendix 1 sets out the performance data, including comparative information from 2017/18 where available.

3.3 This is the second quarterly performance report generated using the new Performance Management System (PMS). Some progress has been made towards the inclusion of more targets and thresholds to provide a RAG status for measures alongside direct of travel; work on some measures remains ongoing and may be resolved through the 2019/20 Service Planning process.

3.4 Where targets exist, these have been included along with a narrative to explain the data. A red (alert) threshold is included in some charts.

3.5 The summary of KPIs is categorised by Short Term Trend. It should be noted that while there are 13 measures that have worsened in the short term, only four of these are at red. Overall there are 12 measures at green, 5 at amber and 4 at red; the remaining 5 measures are either data only measures with no targets, or have not yet had targets set.

#### **4.0 Asset Based Community Development (ABCD) Considerations**

4.1 There are no ABCD implications in respect of the recommendations in this report.

#### **5.0 Alternative Options Considered**

5.1 There are no alternative options.

#### **6.0 Reasons for Recommendations**

6.1 The Council is committed to embedding a culture of performance management across the organisation and this report provides Members with an overview of corporate performance during the second quarter of 2018/19.

#### **7.0 Future Work and Conclusions**

7.1 As explained in paragraph 3.3, the development of the framework is an ongoing process.

#### **8.0 Financial Implications**

8.1 There are no financial implications resulting from the recommendations in this report.

(Financial Services have been consulted in the preparation this report.)

#### **9.0 Legal Implications**

9.1 There are no legal implications resulting from the recommendations in this report.

(One Legal have been consulted in the preparation this report.)

#### **10.0 Risk & Opportunity Management Implications**

10.1 The PMS provides the opportunity to embed risk management within the performance framework by linking actions and PIs to risks, as well as having standalone risks. Service risk registers are being updated and will be added to the system alongside the 2019-20 service planning process.

#### **11.0 People Impact Assessment (PIA) and Safeguarding:**

11.1 This performance report is for information only, therefore a PIA is not required and there are no safeguarding matters to consider.

## **12.0 Other Corporate Implications**

### Community Safety

- 12.1 There are no community implications resulting from the recommendations in the report.

### Sustainability

- 12.2 There are no sustainability implications resulting from the recommendations in the report.

### Staffing & Trade Union

- 12.3 There are no staffing and trade union implications resulting from the recommendations in the report.

**Background Documents:** None

This page is intentionally left blank

# Gloucester City Council Quarterly Performance Report: Quarter 2 2018/19

This report sets out the Council's performance against a set of key performance indicators.

PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change		No Change
	OK		Getting Worse		Getting Worse
	Unknown (no target/no RAG thresholds)		Unknown (no comparative data)		Unknown (no comparative data)
	Data Only				

## Performance Summary (grouped by short term trend)

### Improving

Code	Measure	Status	Short Term Trend	Long Term Trend
CIE3	Percentage of total waste recycled			
CIE4	Missed Domestic Waste Collections			
COMM1	Twitter followers			
COMM2	Facebook followers			
CST1	Customer waiting time (face to face)			
CST4	% of complaints resolved within 10 working days			
H2	Homeless applications where a decision was made			
H2	Homeless households resident in temporary homes			
H3	Number of successful homeless preventions			
RB2	Business rates collection (in year)			
RB3	Time taken to process Housing Benefit new claims			

### No Change

Code	Measure	Status	Short Term Trend	Long Term Trend
CGD5	Determination of major planning applications			

### Getting Worse

Code	Measure	Status	Short Term Trend	Long Term Trend
CGD1	Delivery of affordable housing units			
CGD6	Determination of minor planning applications			
CGD7	Determination of 'other' planning applications			
CST2	Customer waiting time (telephone)			

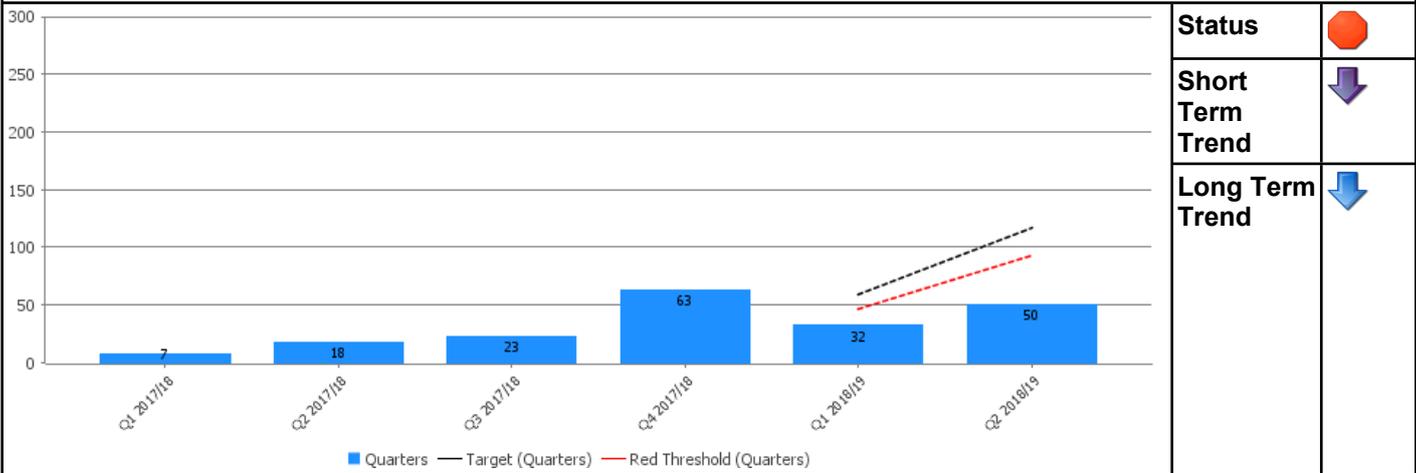
CST3	Number of complaints			
F1	Financial Outturn vs. Budget (Year-End Forecast)			
HR1	Staff Turnover			
HR2	FTE Working Days Lost			
HR4	Absence Rate			
RB1	Council tax collection (in year)			
VE1	Tourist Information Centre (TIC) Footfall			
VE2	Museum of Gloucester Footfall			
VE3	Life Museum Footfall			

### Unknown (no comparative quarterly data)

Code	Measure	Status	Short Term Trend	Long Term Trend
H1	Number of homeless applications made			

**CGD1 Delivery of affordable housing units**

Number of affordable homes delivered, including: affordable rent; social rent; rent to homebuy; shared ownership; Low Cost Home Ownership discount. Data presented is cumulative across each year.

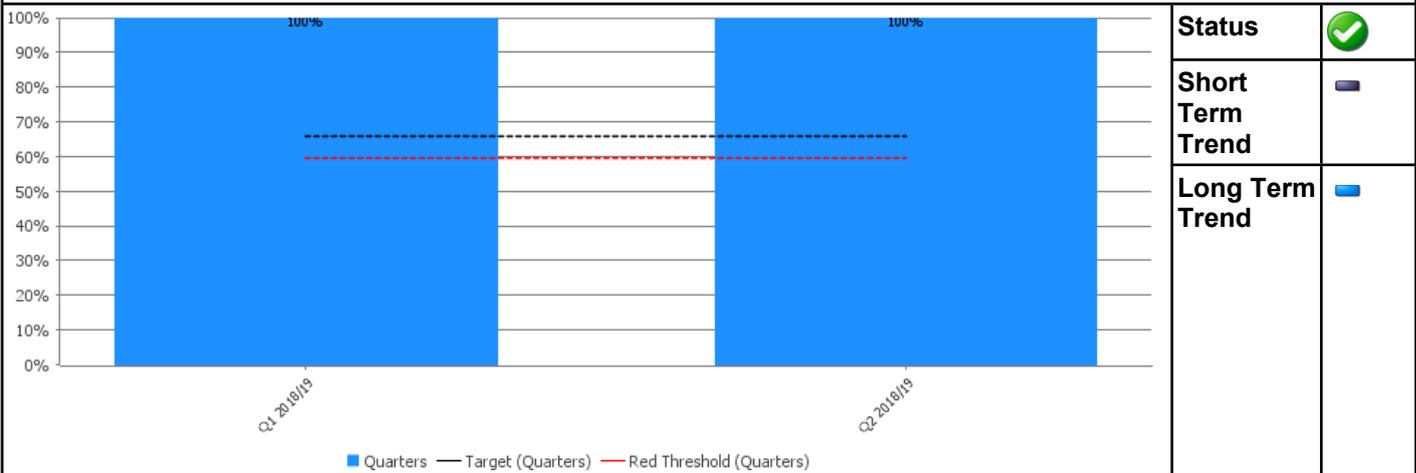


<b>Status</b>	
<b>Short Term Trend</b>	
<b>Long Term Trend</b>	

Sovereign HA have continued to build out two schemes; namely 8 new affordable units at St Aldates, and 10 new units at Winsley road. 50 of the annual target of 117 affordable units have therefore been completed so far in 18/19

**CGD5 Determination of major planning applications**

Percentage of major applications where decisions were made within the agreed timescale or agreed extended period.

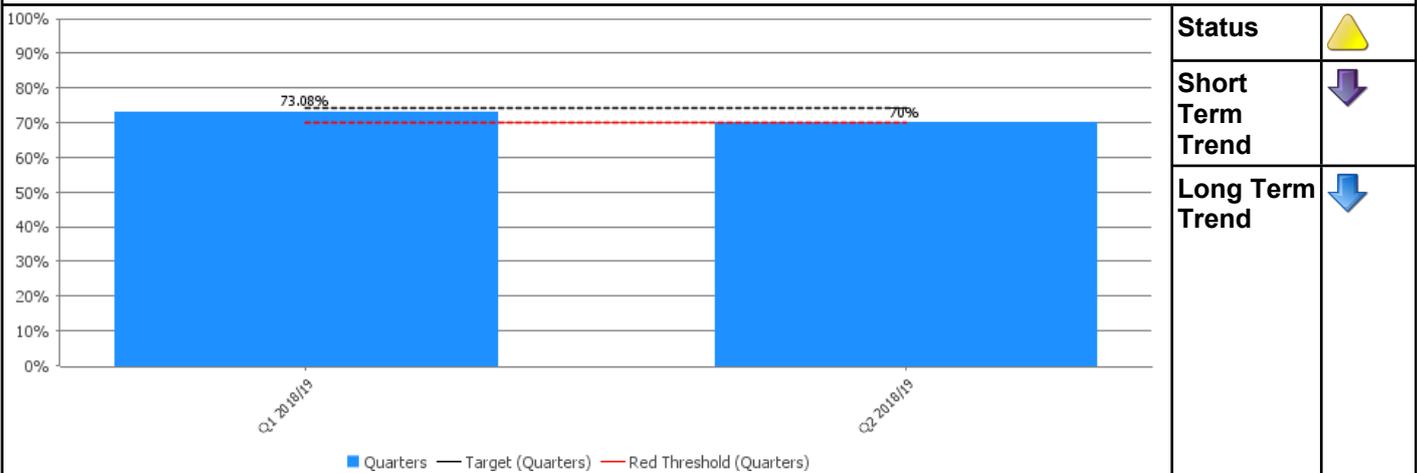


<b>Status</b>	
<b>Short Term Trend</b>	
<b>Long Term Trend</b>	

100% of major application decisions were within the agreed timescale or agreed extended period. This is considerably above the local target of 66% and the 60% national target set by MHCLG. This continued excellent performance reflects the council's commitment to working with developers to achieve a positive outcome for major developments.

**CGD6** | **Determination of minor planning applications**

Percentage of minor applications where decisions were made within the agreed timescale or agreed extended period. The national target set by MHCLG is 70%.

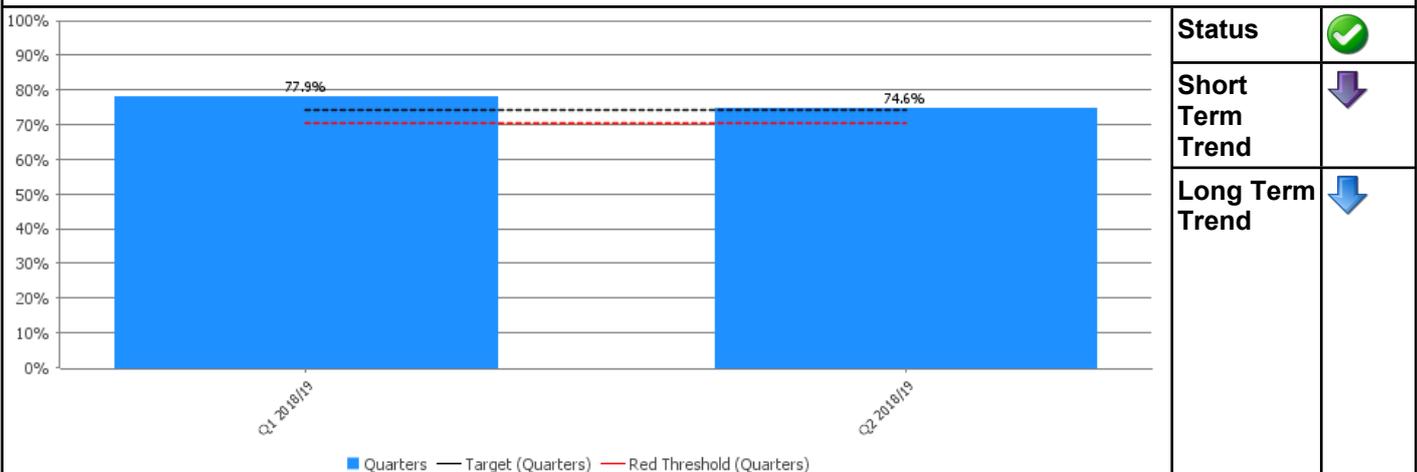


<b>Status</b>	⚠
<b>Short Term Trend</b>	↓
<b>Long Term Trend</b>	↓

Performance on minor applications has dipped in the second quarter and it slightly below target. This category includes a wide variety of applications including developments of up to 9 dwellings, many of which are complex. There have been short term capacity problems due to a vacant senior planner post. This post has now been filled and it is anticipated that the end of year target will be achieved.

**CGD7** | **Determination of 'other' planning applications**

Percentage of 'other' applications where decisions were made within the agreed timescale or agreed extended period.

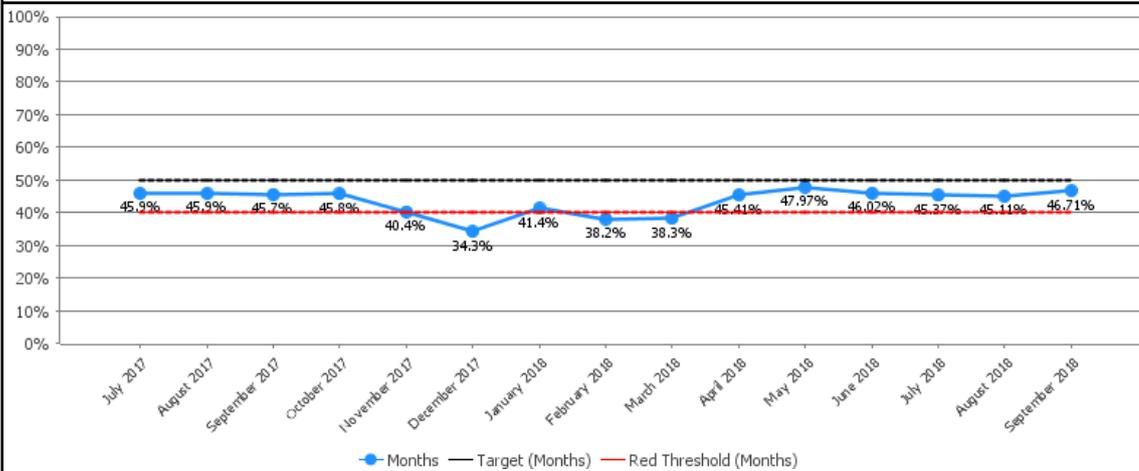


<b>Status</b>	✅
<b>Short Term Trend</b>	↓
<b>Long Term Trend</b>	↓

The majority of applications in this category are householder applications and these form a considerable part of the workload of the planning team. While performance is on target, a new post of planning assistant has been created and it is anticipated that speed of decision on householder applications will improve with this additional resource.

**CIE3 Percentage of total waste recycled**

The percentage of the total waste collected that has been recycled.

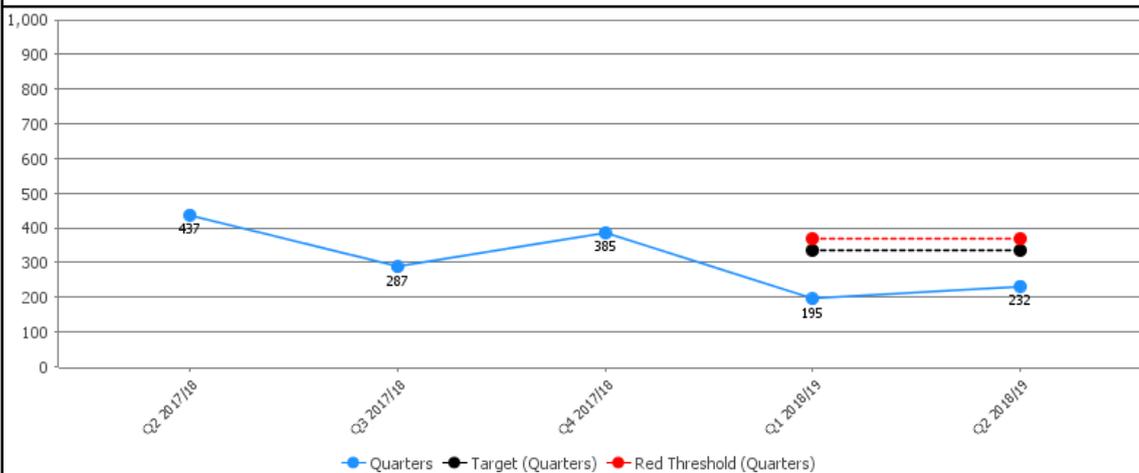


Status	
Short Term Trend	
Long Term Trend	

Total percentage of waste recycled remains steady, being comparable with the average total amount recycled July to September 2017 45.83%.

**CIE4 Missed Domestic Waste Collections**

Number of reports from customers of missed domestic waste (black bin) collections.



Status	
Short Term Trend	
Long Term Trend	

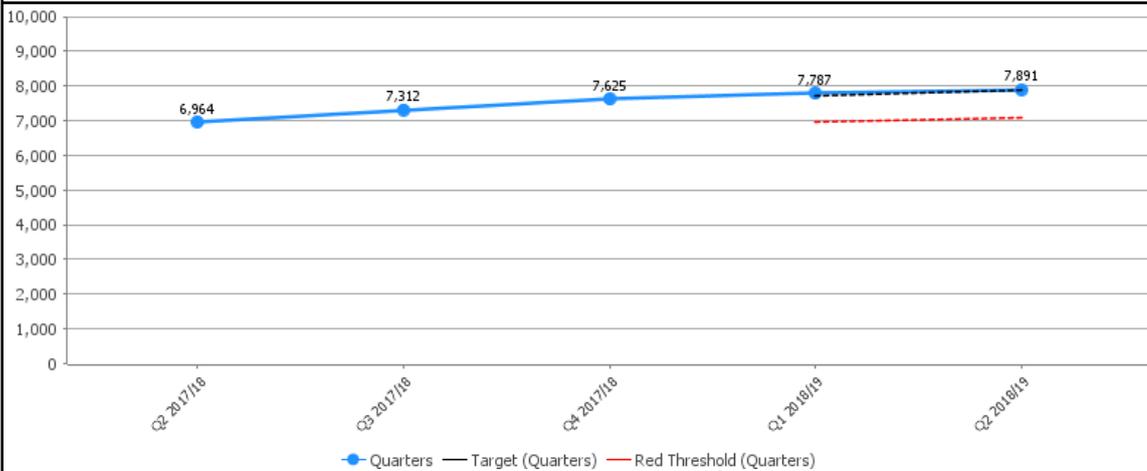
The number of missed domestic waste bins between July and September averages just 3.6 per day. There are approximately 5500 refuse collections taking place each day. Missed collections total just 0.07% of the collections made each day.

The number of missed collections includes:

1. those reported on the correct collection week
2. where the customer has reported the missed collection within 2 working days
3. where the receptacle has been presented correctly , for instance presented by 7am with a closed lid.

**COMM1** | **Twitter followers**

Number of people who follow the Council's Twitter profile.

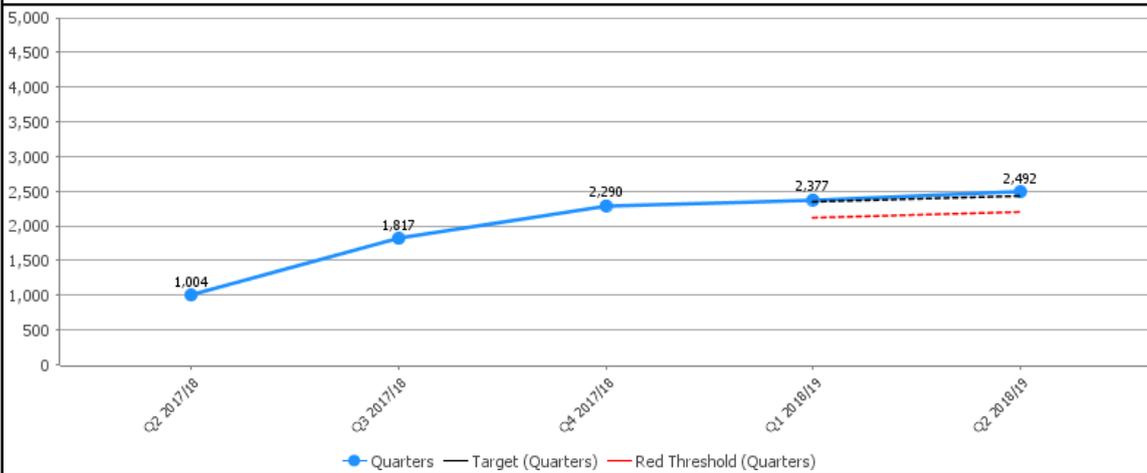


<b>Status</b>	✔
<b>Short Term Trend</b>	↑
<b>Long Term Trend</b>	↑

This is the result of us incorporating Twitter more systematically into our external communication and our increased social media presence through our social media champions.

**COMM2** | **Facebook followers**

Number of people following the Council's Facebook profile.

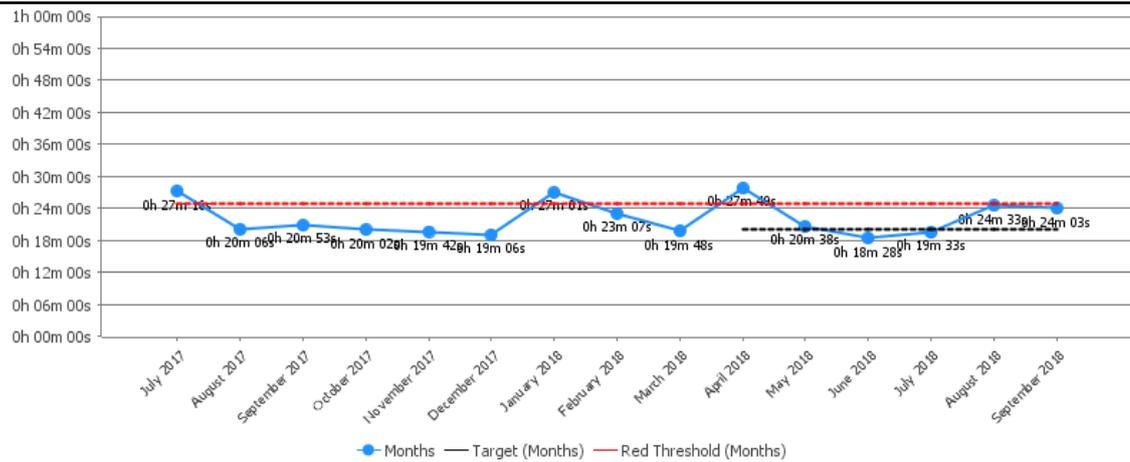


<b>Status</b>	✔
<b>Short Term Trend</b>	↑
<b>Long Term Trend</b>	↑

An increased use of videos may explain the increased interest in the Facebook page along with encouraging shares on other pages.

**CST1 Customer waiting time (face to face)**

The average time a customer waits in reception before being seen.

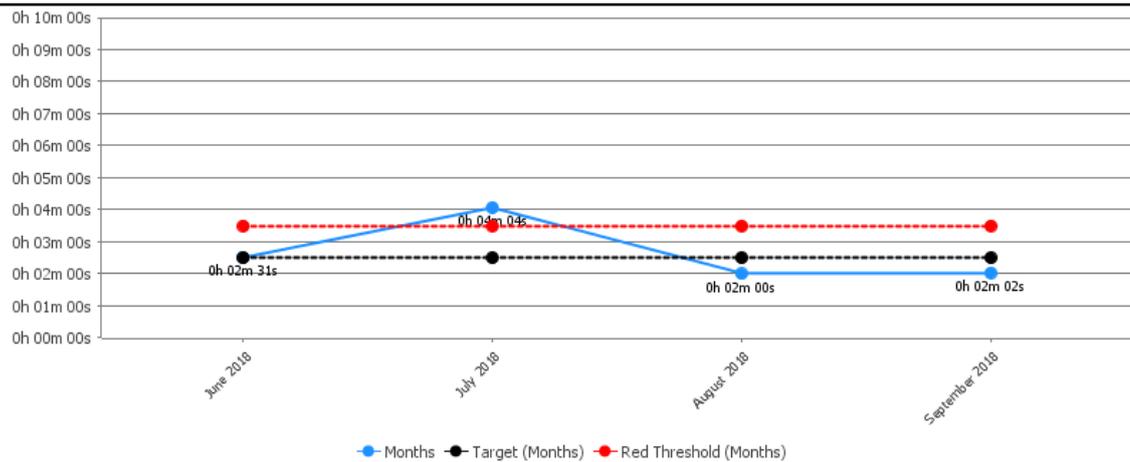


<b>Status</b>	
<b>Short Term Trend</b>	
<b>Long Term Trend</b>	

July's average waiting time was within target at 19 minutes 33 seconds across all services (Housing and Customer Services). The majority of services had average wait times of 15 minutes or less, with the exception of 'Help with Housing' and 'Roofless Tonight' which were 39'59" and 39'05" respectively and pulled the average across all services up. August saw 1457 customers served across all services (Housing and Customer Services). Average waiting times were up across most services, bringing the average waiting time to 24'33". However, 'Help with Housing' and 'Roofless Tonight' services saw a reduction in average waiting time when compared to last month from approximately 40 minutes in July to 33 minutes or less in August. The increase in average waiting time can be attributed to a combination of demand remaining high, average service/interaction time increasing from July's 13 minutes to 15 minutes and seasonal planned leave. September saw continued improvement in average waiting time for the 'Help with Housing' and 'Roofless Tonight' Services with both now averaging approximately 23 minutes (down from July's high of approximately 40 minutes). This was helped by a 24% reduction in demand for the 'Help with Housing' service when compared with August. Council tax and Hackney Carriage/Private hire services saw an increase in demand and average waiting time. These differences in service areas resulted in a marginal overall improvement to average waiting times from August's 24'33" to 24'03".

**CST2 Customer waiting time (telephone)**

The average time that a customer waits in a telephone queue before speaking to an officer, inclusive of the 90 second recorded welcome message.

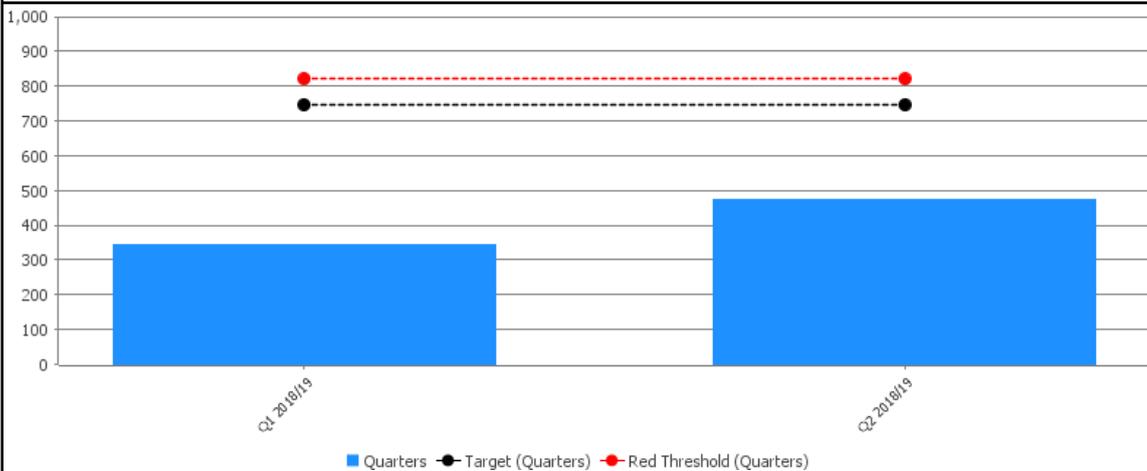


<b>Status</b>	
<b>Short Term Trend</b>	
<b>Long Term Trend</b>	

July saw a high volume of calls received with over 10,500 across all services. Approximately 79% of these calls were for Amey-related services (Environment, Recycling & Bulky Items). Average speed of answer was approximately 3 minutes for the majority of calls, but limitations of existing reporting systems mean that a few outliers disproportionately affected the overall average. Average speed of answer improved significantly in August, dropping to 2 minutes from July's peak. Demand reduced from July's high by over 3,000 calls. The share of calls relating to Waste, recycling and environment fell to approximately 74%. September saw approximately 1,000 additional calls when compared to August. 76% of these related to Waste, recycling and environment. Despite this increase, average speed of answer remained within target.

**CST3** | **Number of complaints**

Total number of complaints received by the Council.

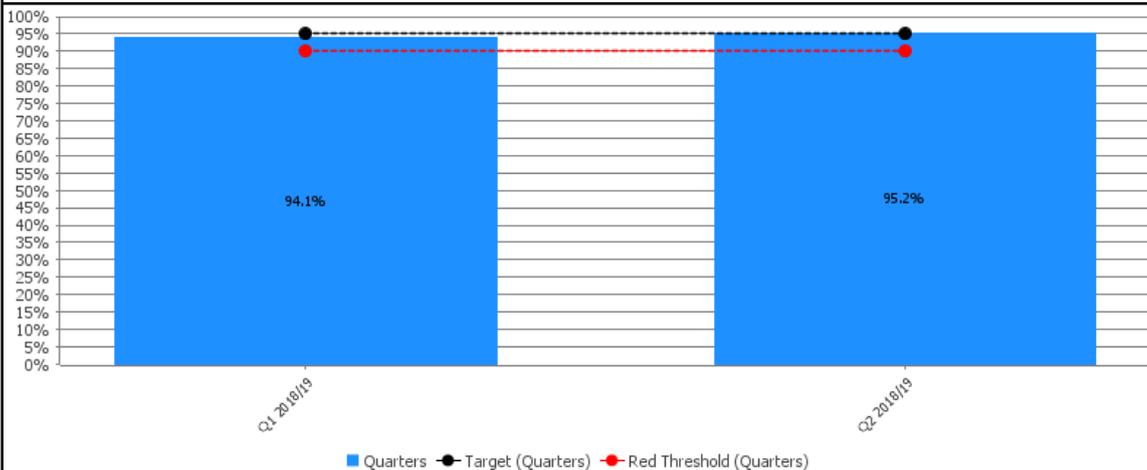


Status	✓
Short Term Trend	↓
Long Term Trend	↓

As with Q1, the total number of complaints received during Quarter 2 of 2018-19 is down on the same period in 2017-18. When compared to Q1 2018-19, the number of complaints in Q2 2018-19 is higher, but this is consistent with the pattern in 2017-18. The majority of complaints continue to relate to Amey services, with 79% being Amey related in Q2 2018-19. This compares to a similar percentage of 80% in the same period last year (2017-18).

**CST4** | **Percentage of complaints resolved within 10 working days**

The percentage of all complaints to the council that are resolved within 10 working days and formally closed down.

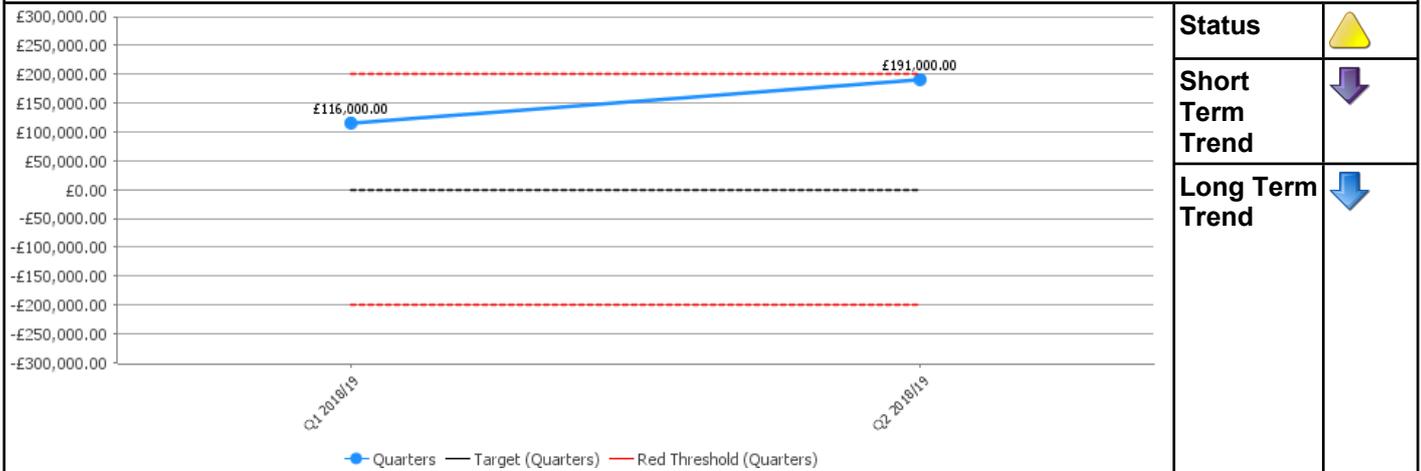


Status	✓
Short Term Trend	↑
Long Term Trend	↑

95.2% of complaints received in Q2 were answered within 10 working days, up from 94.1% in Q1. Of the 12 complaints that took longer than 10 working days, all but 5 were completed within 15 working days. Note that the data recording system does not log if extensions to time were notified to, or agreed with, the complainants.

<b>F1</b>	<b>Financial Outturn vs. Budget (Year-End Forecast)</b>
-----------	---

The year-end forecast position.



<b>Status</b>	
<b>Short Term Trend</b>	
<b>Long Term Trend</b>	

The forecast position is a small reduction of the Council's General Fund by £28k. This is a deterioration of £75k since Quarter 1. The key contributing factors to this are:

- (i) Continued underperformance of income from Markets and Street Trading;
- (ii) Underperformance of the Museums as a result of a warm summer, absence of major exhibition, delays in the transfer of the Life Museum.
- (iii) Pressure in the Housing sector as a result of temporarily accommodating the homeless.
- (iv) One-off repairs spends - some of which will be met from capital budgets.

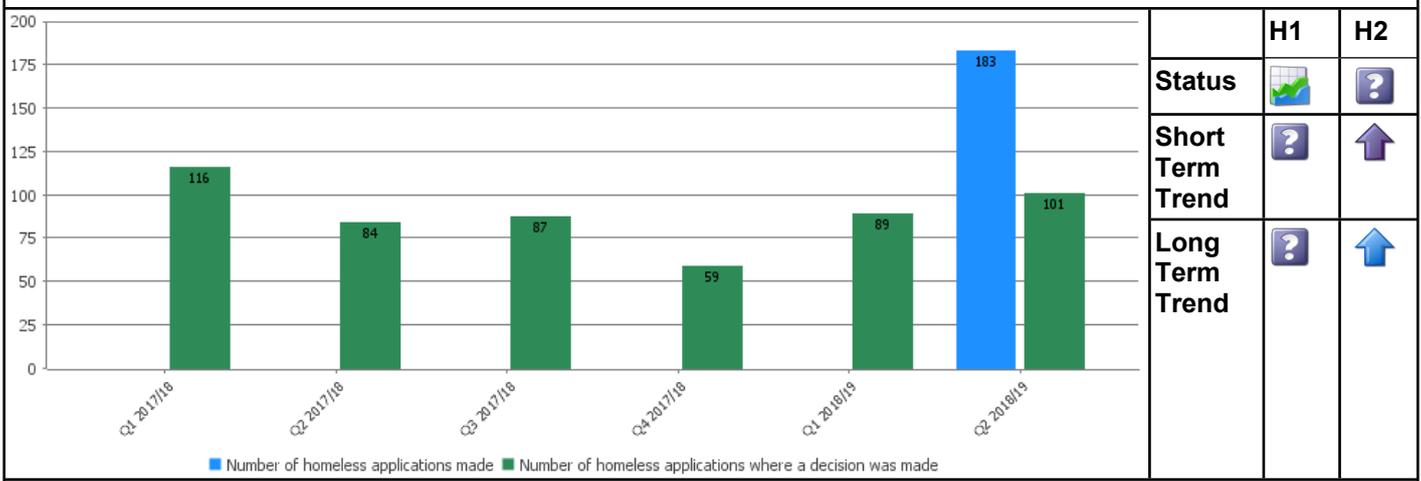
In all areas where such variances have been identified Officers will work towards ensuring a balanced position at year end, as was achieved in 2017.

<b>H1</b>	<b>Number of homeless applications made</b>
-----------	---

Number of homeless applications made within the relevant period.

<b>H2</b>	<b>Number of homeless applications where a decision was made</b>
-----------	--

Decisions made on homeless applications within the relevant period.

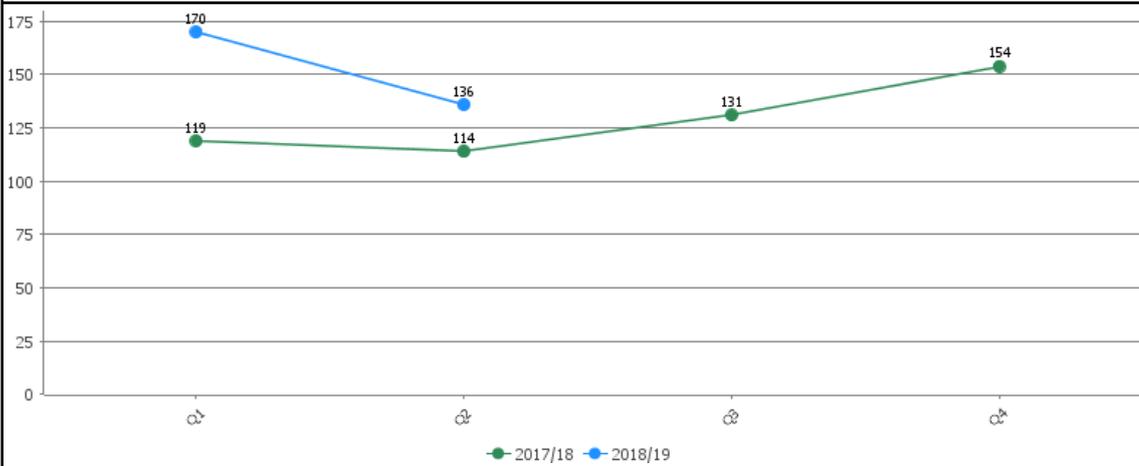


	H1	H2
<b>Status</b>		
<b>Short Term Trend</b>		
<b>Long Term Trend</b>		

Quarter 2 saw a positive 10% increase in the number of homelessness decisions (101) made although it is evident that the number of applications made within quarter remains significantly higher (183). Focus has and continues to be given to how homelessness applications can be determined more efficiently including technical training, process re-design and reviewing the scheduling of homelessness appointments to ensure that officers have sufficient time to effectively manage appointments and retrieve the information they need to make a decision.

### H3 Homeless households resident in temporary homes

The number of homeless households resident in temporary homes at the end of each quarter.

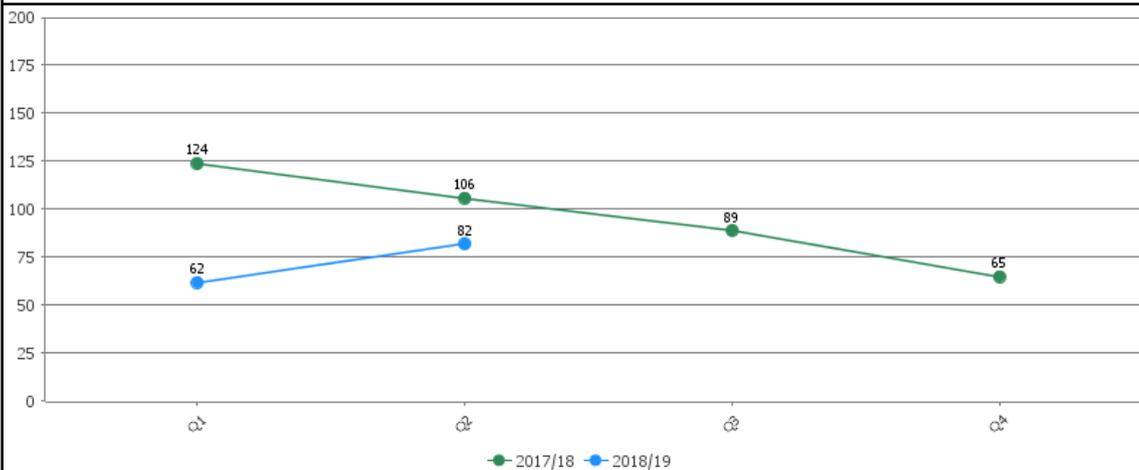


Status	?
Short Term Trend	↑
Long Term Trend	↑

At the end of Q2 there were 34 less households (136) residing in temporary accommodation compared to Quarter 1 (170). Furthermore there has been a decrease in the number of households that we have needed to place outside of County. This positive shift is the result of a number of measures including more efficient decision making (homelessness duty), supporting more households via discretionary housing payment so that they can remain in own home or find alternative accommodation, better engagement with private landlords to utilise the private rented sector and the vast majority of legacy cases having been determined and closed.

### H4 Number of successful homeless preventions

The number of households prevented from becoming homeless during the relevant period.

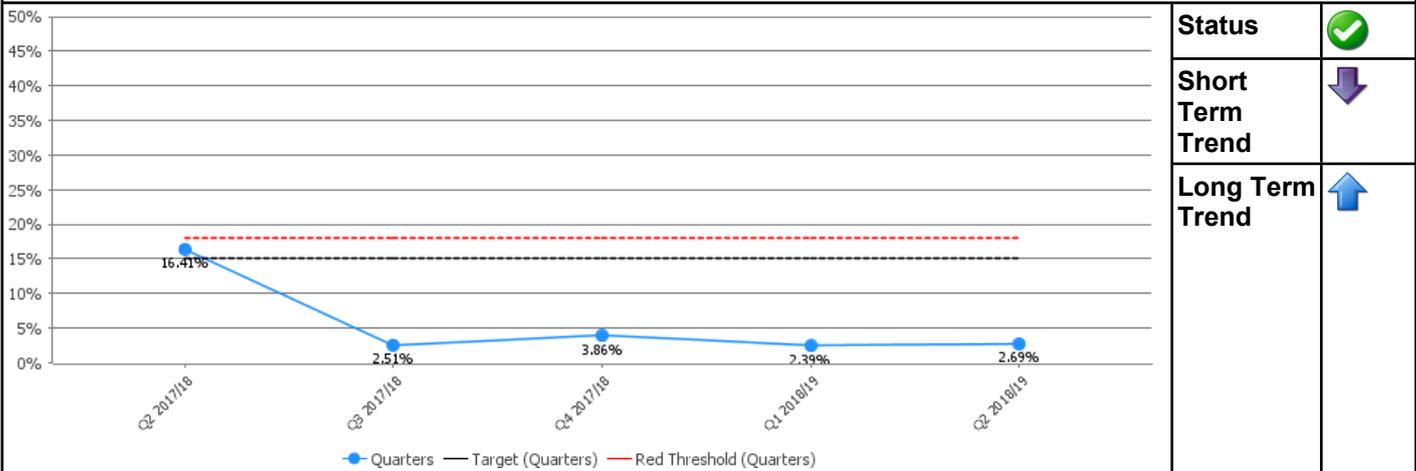


Status	?
Short Term Trend	↑
Long Term Trend	↑

In Q2 we assisted 82 households who were at risk of being made homeless to remain in their own home or find alternative accommodation compared to 63 in Q1, a positive increase of 30%. The Homelessness Reduction Act 2016 has provided a focus for how councils undertake prevention work underpinned by the statutory obligation for each household at risk to have a personal prevention plan to be developed by their case officer. When developing prevention plans officers work in collaboration with key partner agencies where they can assist and will look at what financial assistance the council can provide such as discretionary housing payment (DHP). In the current financial year the council has issued 32% more DHP than last year therefore assisting families to remain in their own home or find alternative accommodation.

<b>HR1</b>	<b>Staff Turnover</b>
------------	-----------------------

Number of staff leaving the organisation represented as a percentage.

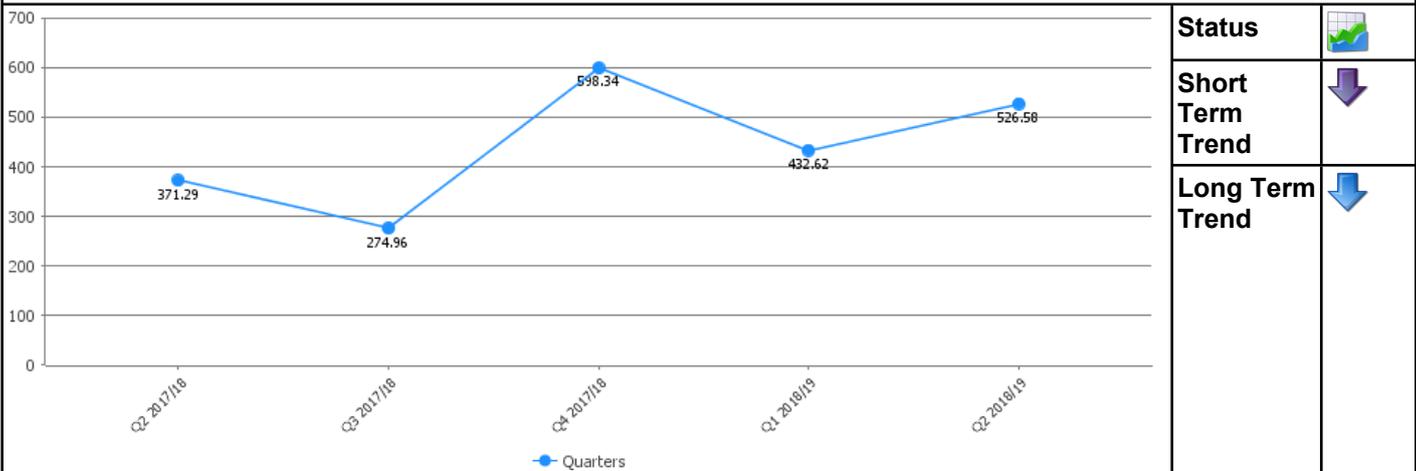


<b>Status</b>	
<b>Short Term Trend</b>	
<b>Long Term Trend</b>	

Whilst the number of leavers for Quarter 2 has very slightly increased on Quarter 1 (6 leavers in Quarter 2 as opposed to 5 leavers in Quarter 1), this remains below target, which is pleasing to note.

<b>HR2</b>	<b>FTE Working Days Lost</b>
------------	------------------------------

The number of FTE working day lost to staff sickness across the Council.

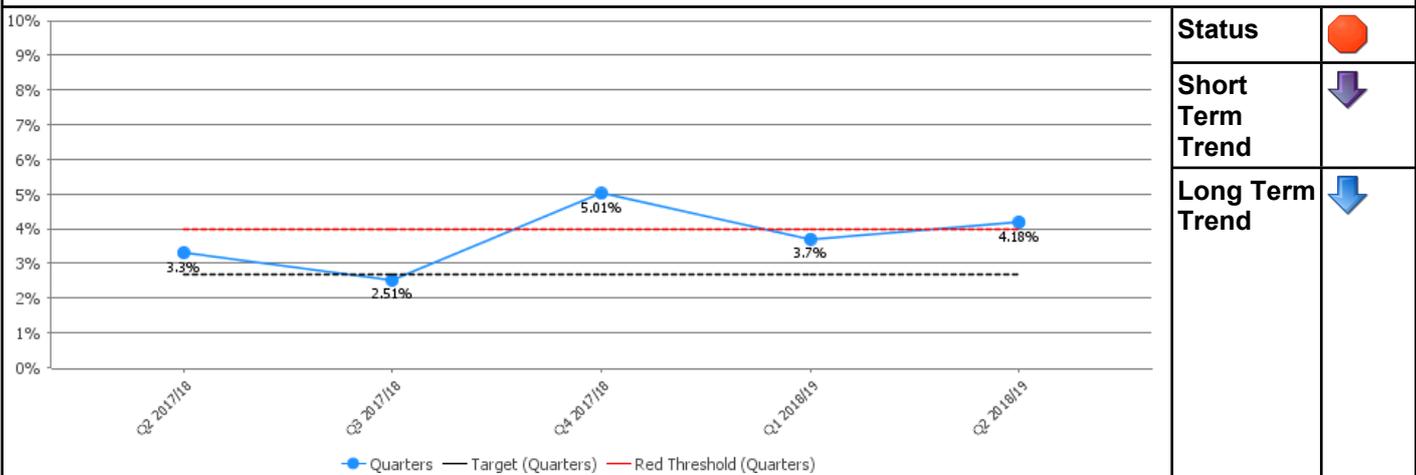


<b>Status</b>	
<b>Short Term Trend</b>	
<b>Long Term Trend</b>	

We have seen an increase in FTE Working Days lost due to sickness absence for Quarter 2 when compared to Quarter 1. This is largely attributed to a number of cases progressing from short term absence to longer term sickness absence. As of the end of September 2018, two long term sickness cases remain ongoing from a total of four and an improvement is therefore expected for the next reporting period. Short term sickness absence continues to be a focus with detailed absence trigger information now being provided at Service Manager level in addition to Head of Service level. Heads of Service are asked to ensure in discussions with Service Managers that all cases of repeated short term sickness absence are managed appropriately and early HR advice is sought via the HR Advice line in cases where the absence trigger is reached. Managers have also received training on effective sickness absence management from HR and the Occupational Health Unit, which it is hoped will further assist in effecting an improvement in future absence levels.

<b>HR4</b>	<b>Absence Rate</b>
------------	---------------------

The percentage of total working days lost in the relevant period through sickness against the total available working days for that period.

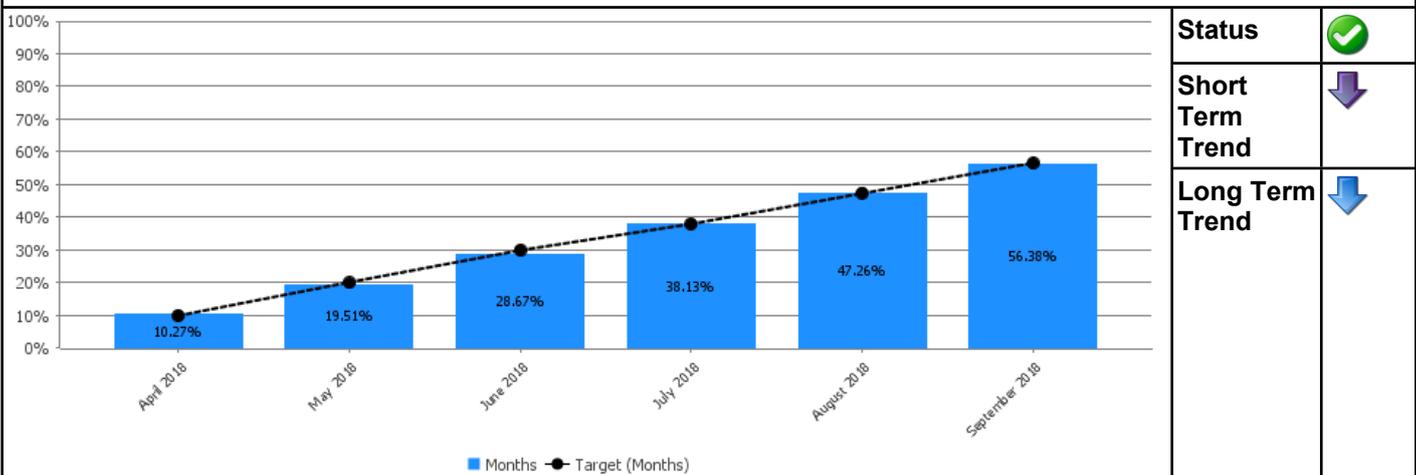


<b>Status</b>	
<b>Short Term Trend</b>	
<b>Long Term Trend</b>	

Sickness absence levels have increased for Quarter 2 when compared to Quarter 1 and remain above target at 4.18% for the quarter. This is largely attributed to a number of cases progressing from short term absence to longer term sickness absence. As of the end of September 2018, two long term sickness cases remain ongoing from a total of four and an improvement is therefore expected for the next reporting period. Short term sickness absence continues to be a focus with detailed absence trigger information now being provided at Service Manager level in addition to Head of Service level. Detailed guidance is also regularly provided on the effective management of sickness absence and in referring cases to the Specialist Case Team for effective HR support in managing such cases and in achieving a successful resolution. A Sickness Information booklet has also been produced to assist managers in discussing absence concerns with their staff. It is hoped that these interventions will assist in effecting an improvement in absence levels over coming months.

<b>RB1</b>	<b>Council tax collection (in year)</b>
------------	---

Collection against the total council tax debit in cumulative format.



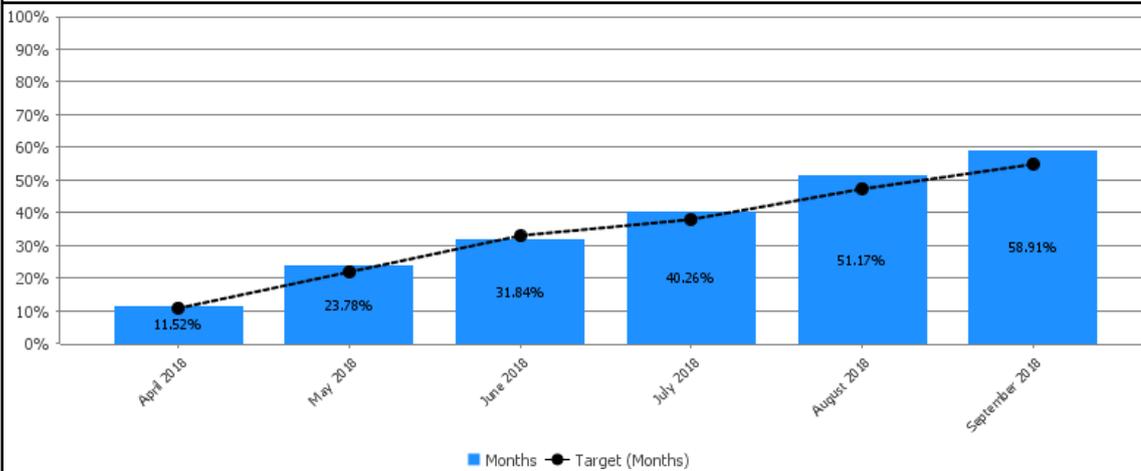
<b>Status</b>	
<b>Short Term Trend</b>	
<b>Long Term Trend</b>	

The year to date performance for Council Tax collection at the end of September is very slightly under target at 56.38% compared to a target of 56.5%.

It is pertinent to note that the net debit for 2018/19 has risen to £62.7m compared to £59.3m in 2017/18

**RB2 Business rates collection (in year)**

Collection against the total business rates (NNDR) debit in cumulative format.



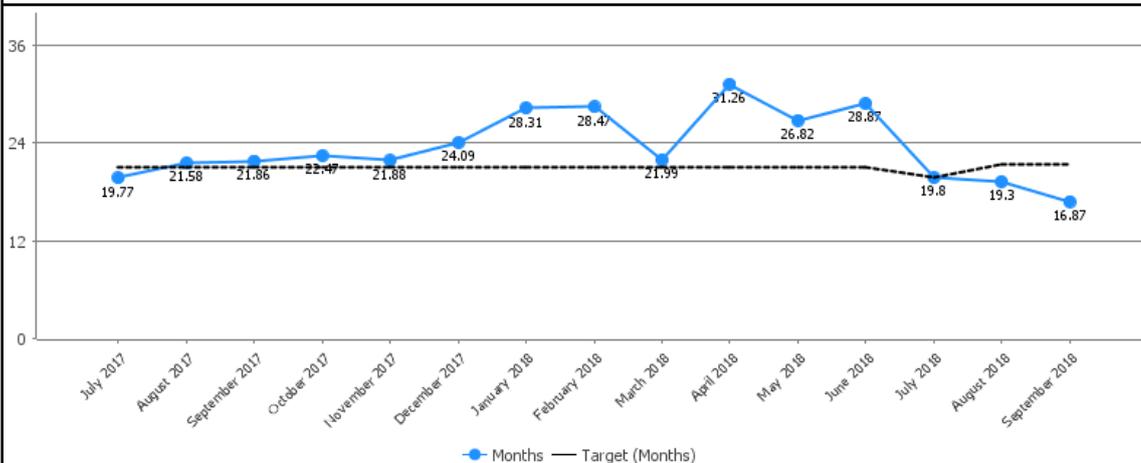
Status	✓
Short Term Trend	↑
Long Term Trend	↑

The year to date figures at the end of September for Business Rates collection (NNDR) show performance is up on target by 3.91%, with 58.91% collected against a 55% target.

Again it is pertinent to note that the net debit for 2018/19 is £56.3m compared to £55.5m in 2017/18

**RB3 Time taken to process Housing Benefit new claims**

The average number of days taken to process new housing benefit claims (in month).



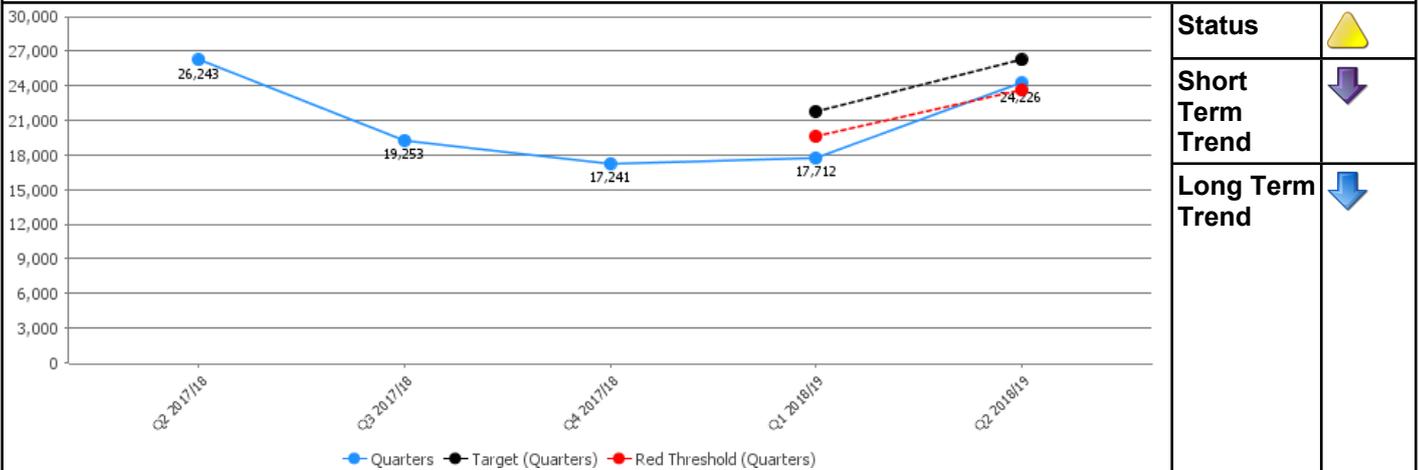
Status	✓
Short Term Trend	↑
Long Term Trend	↑

The time taken to process new Housing Benefit claims has steadily improved with the July figure of 19.80 days, reducing to 19.30 days in August.

September was exceptional with claims being processed in 16.87 days against an in month target of 21.40

**VE1** | **Tourist Information Centre (TIC) Footfall**

Gloucester Tourist Information Centre is a free service to both local residents and visitors to the City of Gloucester. Typical users include tourists requiring information and directions and people making coach bookings and /or buying gifts/ event tickets. The performance measure relates to the total number of people visiting the premises in Southgate Street.



<b>Status</b>	
<b>Short Term Trend</b>	
<b>Long Term Trend</b>	

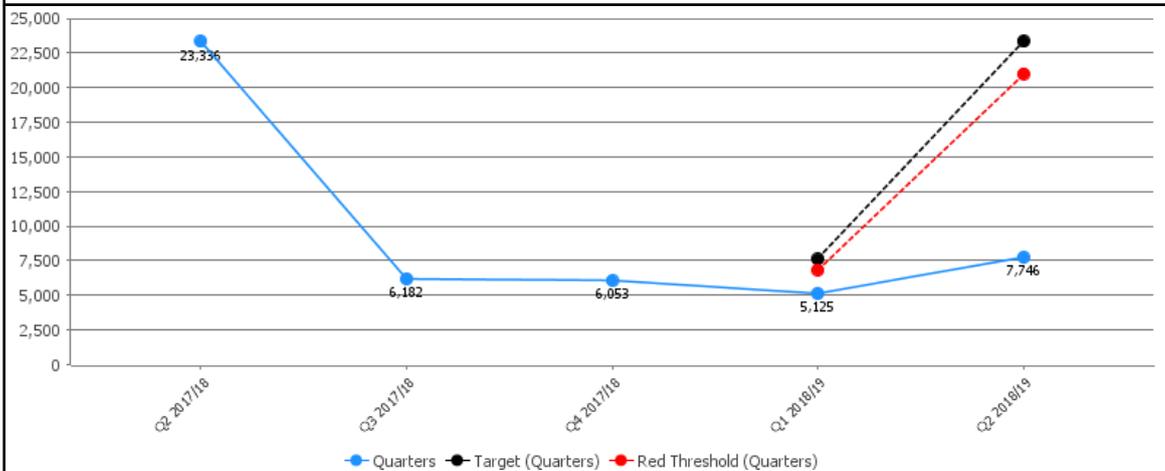
Q2 saw an increase of 37% when comparing Q2 with Q1 which you would expect due to the typical tourist season. We've seen a 7.5% drop compared to this time last year. This reduction reflects a shift to greater online booking and ticket sales and reinforces our efforts to enhance our digital offer and adjust our onsite provision. In response to a request from Overview and Scrutiny Committee we are exploring the feasibility of providing tourist information services from bit the Guildhall and the Museum of Gloucester as an alternative to a standalone facility in the City.

Ticket sales for the Gloucester History Festival grew significantly. 3709 tickets were sold in person and 4307 tickets were purchased online. Combined sales had a value of £54,000 for the Gloucester History Festival.

Given the shift towards greater online transactions, footfall is an unhelpful measure of performance and officers are working to develop a more meaningful indicator for future report.

<b>VE2</b>	<b>Museum of Gloucester Footfall</b>
------------	--------------------------------------

The Museum of Gloucester is a paid-for visitor attraction within Gloucester. The displays and supporting service enable visitors to view objects from the City's Museum collection and the venue is used as a meeting point for various community groups. The Wheatstone Hall is offered as a hire space and members of the public can use the cafe, shop and toilets without having to pay an entrance fee. The performance measure relates to the total number of users entering the Museum for all the reasons listed previously.



<b>Status</b>	
<b>Short Term Trend</b>	
<b>Long Term Trend</b>	

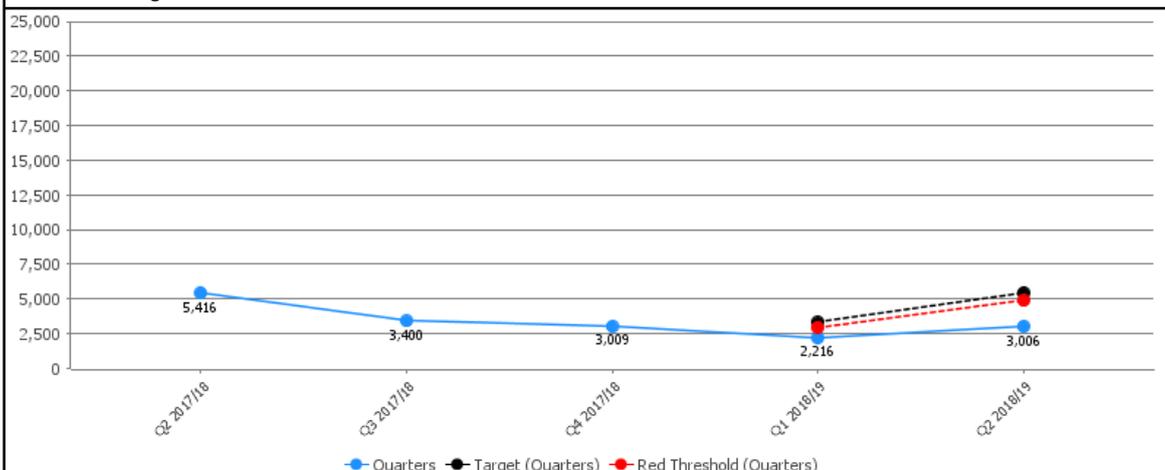
Q2 footfall increased by 50% over Q1 but this represents a sharp reduction in footfall in Q2 2017/18. This change may be reflective of the subject matter for the 2018 summer exhibition. In 2016 and 2017 the Museum promoted popular, family focussed, exhibitions on the themes of Robots and Dinosaurs. In 2018 the Museum contributed to the City-wide celebrations of the 1100<sup>th</sup> anniversary of the death of Athelflaed. Whilst this focus undoubtedly shone a light on Gloucester's place in Athelflaed's story and led to a successful collaboration which included newly commissioned works, schools engagement and learning packs, a procession and a sell-out History Festival fringe, the draw of the Museum exhibition was less powerful.

The Museum of Gloucester opened its doors for free as part of the national Heritage Open Days and attracted 1486 visitors over the 4 day event and this accounted for 48% of the total footfall in the month of September.

The Museums Service is working on plans to develop and share our collections in new and exciting ways and are recruiting a Museums Events & Marketing Officer. This new post will allow us to offer a more diverse programme of events and make our collections accessible to more and a wider range of people.

<b>VE3</b>	<b>Life Museum Footfall</b>
------------	-----------------------------

Gloucester Life Museum is a paid-for visitor attraction within Gloucester; the displays and supporting service enable visitors to view objects from the City's Museum collection. The Ed Shed is offered as a hire space and members of the public can use the shop, self-serve cafe, toilets and garden without having to pay an entrance fee. The performance measure relates to the total number of users entering the Museum.



<b>Status</b>	
<b>Short Term Trend</b>	
<b>Long Term Trend</b>	

We are progressing plans to transfer the Gloucester Life Museum buildings to the Gloucester Historic Buildings Trust in January 2019. The Life Museum's collections will continue to be owned and cared for by the City Council but parts of the collection will continue to be displayed on site as part of the new heritage hub.

Footfall in Q2 reflects the fact that the City Council's focus in 2018 has been on managing the potential transfer and safeguarding the collections.

This page is intentionally left blank



<b>Meeting:</b>	<b>Audit and Governance Committee</b>	<b>Date:</b>	<b>19 November 2018</b>
	<b>Cabinet</b>		<b>5 December 2018</b>
<b>Subject:</b>	<b>Strategic Risk Register Update</b>		
<b>Report Of:</b>	<b>Head of Audit Risk Assurance (Chief Internal Auditor)</b>		
<b>Wards Affected:</b>	<b>Not applicable</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Theresa Mortimer - Head of Audit Risk Assurance</b>		
	<b>Email:</b>	<b>Tel: 01452 396338</b>	
	<a href="mailto:Theresa.Mortimer@gloucester.gov.uk">Theresa.Mortimer@gloucester.gov.uk</a>		
<b>Appendices:</b>	<b>1. Strategic Risk Register as at 23<sup>rd</sup> October 2018</b>		

**FOR GENERAL RELEASE**

**1.0 Purpose of Report**

1.1 To present the Strategic Risk Register to Members for their awareness and consideration.

**2.0 Recommendations**

2.1 Audit and Governance Committee is asked to **RECOMMEND** that the Strategic Risk Register be noted and endorsed.

2.2 Cabinet is asked to **RESOLVE** that the Strategic Risk Register be noted and endorsed.

**3.0 Background and Key Issues**

Background

3.1 'Risk management is the culture, process and structures that are directed towards effective management of potential opportunities and threats to the Council achieving its priorities and objectives' – ALARM, the public risk management association.

3.2 The Accounts and Audit Regulations 2015 (part 2 paragraph 3) state 'a relevant local authority must ensure that it has a sound system of internal control which...includes effective arrangements for the management of risk'.

3.3 Risk management is a key part of the Council's corporate governance framework and internal control environment. It is one of the seven core principles within the Council's Code of Corporate Governance – 'managing risks and performance through robust internal control and strong public financial management'.

- 3.4 The Council's Risk Management Policy Statement and Strategy provides the framework for the effective management of risks and opportunities within the Council, supports decision making at all levels, and aids delivery of the Council Plan values, key actions and projects. The Strategy also includes the process for monitoring and reporting of strategic risks. The Risk Management Policy Statement and Strategy 2017 – 2020 was last updated and approved by Members in February 2017 (Cabinet approval following recommendation by Audit and Governance Committee).
- 3.5 The Risk Management Policy Statement and Strategy requires the Council to assess risks at a strategic level through documentation and management of the Strategic Risk Register. The Strategic Risk Register is owned and formally reviewed by Senior Management Team (SMT) on a regular basis. Strategic risk owners are at SMT level.
- 3.6 Member receipt and endorsement of the Strategic Risk Register is completed on a biannual basis by the Audit and Governance Committee and Cabinet. This is to enable Member awareness of the strategic risks facing the Council, the mitigation measures put in place to manage them and the impact on decisions to be made by the Council.
- 3.7 This report is the first Strategic Risk Register update to Members within 2018/19.

#### Strategic Risk Register – position and review

- 3.8 The process for officer review and update of the Strategic Risk Register includes:
- Update of individual strategic risks by designated risk owners via the Pentana performance and risk management system (including risk scores, current control position, further mitigating actions required and their timing); and
  - Regular formal review of the Strategic Risk Register by SMT, including review and challenge of current strategic risks and consideration of potentially emerging strategic risks.

Operational Risk Registers are held at service, partnership and project levels. Where operational risks are high scoring or have potential strategic implications, these are also considered through the above process and added to the Strategic Risk Register where appropriate.

- 3.9 The Strategic Risk Register is documented in line with the Risk Management Policy Statement and Strategy risk register template and assesses strategic risks over three stages:
- Original risk score: the impact and likelihood of a risk if no action were taken;
  - Current risk score: the impact and likelihood of a risk considering current controls in place; and
  - Mitigated risk score: the target risk score, achievable following full implementation of the agreed further mitigating actions.

Emerging strategic risks (risks that may have a future strategic impact) are also documented and considered by SMT.

3.10 The Strategic Risk Register was last reviewed and updated by SMT on 23<sup>rd</sup> October 2018. See **Appendix 1**.

Strategic Risk Register – changes since last Member review:

3.11 The Strategic Risk Register version last reviewed by Members was within the 2017/18 Civic Year as at March 2018. The main areas of Strategic Risk Register update between 2017/18 and 23<sup>rd</sup> October 2018 (**Appendix 1**) are summarised below:

- Strategic risk removed:
  - o SRR 1.12 'Inability of the Council to progress with the ongoing organisational transformation begun by the Together Gloucester review' (removed as an individual strategic risk however Council progress is considered within retained strategic risk further mitigating actions e.g. 'Together Gloucester Phase 2 Work Packages').
- Strategic risks added:
  - o Emerging strategic risks have been considered by SMT (including the progression and impact of Brexit), however no new strategic risks have been added to the strategic risk register to date within 2018/19.

3.12 The 23<sup>rd</sup> October 2018 Strategic Risk Register is the first version to have been produced for Member review from the Pentana performance and risk management system. Future risk registers submitted to Members will reflect the direction of travel of risk scores.

#### **4.0 Asset Based Community Development (ABCD) Considerations**

4.1 There are no ABCD implications as a result of the recommendation made in this report.

#### **5.0 Alternative Options Considered**

5.1 The alternative option is not to present the Strategic Risk Register to Members. This option is not compliant with the CIPFA: Audit Committees Practical Guidance for Local Authorities and Police (2018) and does not support strategic risk awareness or informed prudent decision making.

#### **6.0 Reasons for Recommendations**

6.1 The Audit and Governance Committee's role (as per the Constitution) includes the function to 'monitor the adequacy and effectiveness of the Council's governance arrangements' including 'monitoring the arrangements for the identification, monitoring and control of strategic and operational risk within the Council'.

6.2 The CIPFA: 'Audit Committees Practical Guidance for Local Authorities and Police (2018)' confirms that the role of an Audit Committee includes keeping up to date with the risk profile of an organisation through regular review of the risk profile and areas of strategic risk.

6.3 The Risk Management Policy Statement and Strategy includes the following role and responsibility for Cabinet 'Endorse the content of the Strategic Risk Register and proposed risk mitigation plans, and monitor implementation'.

6.4 This report aims to meet requirements 6.1 to 6.3 and support Member delivery of their relevant roles and responsibilities.

## **7.0 Future Work and Conclusions**

7.1 The next Strategic Risk Register review by Members will be completed as part the Annual Risk Management Report 2018/19, which is due to be presented to Audit and Governance Committee in March 2019.

## **8.0 Financial Implications**

8.1 There are no direct financial implications arising from the report recommendations. However, there are a number of risks within the Strategic Risk Register which, if not managed, have the potential to expose the Council to financial costs which are not provided for within existing budgets. The documented current controls and mitigating actions aim to manage the risk of Council exposure to these costs.

(Financial Services have been consulted in the preparation of this report).

## **9.0 Legal Implications**

9.1 None specifically arising from the report recommendations.

9.2 It is fundamental that the Council has an embedded risk management framework (including a Risk Management Policy Statement and Strategy) which considers the identification, recording and management of risks to the Council in the delivery of its priorities and objectives.

9.3 The existence and application of an effective Risk Management Policy Statement and Strategy (including Member review of the Strategic Risk Register and awareness of strategic risks) assists prudent decision making. Failure to identify and manage strategic risks could lead to inappropriate decision making, unnecessary liability and costly legal challenge.

(One Legal have been consulted in the preparation this report).

## **10.0 Risk and Opportunity Management Implications**

10.1 The lack of a robust approach to the management of risks and opportunities could result in inappropriately informed decision making and non-achievement of the Council's priorities and objectives at both strategic and service levels.

## **11.0 People Impact Assessment (PIA):**

11.1 The PIA screening stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

## **12.0 Other Corporate Implications**

### Community Safety

- 12.1 There are no 'Community Safety' implications arising out of the recommendations in this report.

### Sustainability

- 12.2 There are no 'Sustainability' implications arising out of the recommendations in this report.

### Staffing and Trade Union

- 12.3 There are no 'Staffing and Trade Union' implications arising out of the recommendations in this report.

### **Background Documents:**

Accounts and Audit Regulations 2015

CIPFA: Audit Committees Practical Guidance for Local Authorities and Police (2018)

Council Constitution (current)

Risk Management Policy Statement and Strategy 2017- 20

This page is intentionally left blank

# Appendix 1 - Strategic Risk Register as at 23<sup>rd</sup> October 2018



## SRR1 Strategic Risk Register

Risk Ref	Risk	Original Impact	Original Likelihood	Original Score	Description	Current Impact	Current Likelihood	Current Score	Further Mitigating Action	Timescale	Target Impact	Target Likelihood	Target Score	Risk Owner
SRR1.1	Non achievement of the Money Plan – including the annual savings / income targets and the result of a balanced budget	4	4	16	<p>*Budget setting process – including consultation; management/leadership input into savings targets; and Overview &amp; Scrutiny and Council involvement.</p> <p>*Forecasting Money Plan for medium term.</p> <p>*Allocation of individual savings/income targets to an SMT sponsor, Cabinet Member and leading manager.</p> <p>*Rigorous monthly monitoring of the Council's financial position - monthly budget monitoring (including budget savings programme lines) at budget holder level (Finance led) and by SMT.</p> <p>* Financial Services staff professionally qualified in accountancy-related disciplines.</p> <p>*Assurance reviews by Internal Audit to ensure compliance with approved policies and procedures.</p> <p>*Service Plans aligned with resources and subject to regular review.</p>	3	2	6			3	2	6	Head of Policy & Resources

Page 121

Risk Ref	Risk	Original Impact	Original Likelihood	Original Score	Description	Current Impact	Current Likelihood	Current Score	Further Mitigating Action	Timescale	Target Impact	Target Likelihood	Target Score	Risk Owner
SRR1.2	Adverse public and media relations	3	3	9	*Dedicated communications and marketing resource with defined service scope – service delivery by County Council (SLA). *Regular monitoring of press coverage. *Formal route for media press contact (controlled approach). *Standardised FOI approach with FOI Champions. *Dedicated support for key consultations. *Communication Strategy on key campaigns, including performance measures. *Internal Communications Channel Plan. *Complaints policy / monitoring. *Digital communications team in place – including objectives, policies and procedures. *Approved campaigns plan in place. *Release of new Council website.	3	2	6	Completion of media training for Members and key officers	31-Mar-2019	2	2	4	Corporate Director - Partnerships
SRR1.3	Lack of competence, staff engagement, probity and professionalism within the authority leading to diminished performance,	3	3	9	*Dedicated HR resource with defined service scope – service delivery by County Council (s101 agreement). *Adherence to best practice recruitment and selection procedures and principles. *Member and staff training. *Complaints monitoring. *Member role descriptors. *Codes of conduct for	3	2	6	Further review and development of the apprenticeship scheme Workforce Strategy Action Plan approval and delivery	31-Mar-2019 31-Mar-2019	3	1	3	Corporate Director - Partnerships

Risk Ref	Risk	Original Impact	Original Likelihood	Original Score	Description	Current Impact	Current Likelihood	Current Score	Further Mitigating Action	Timescale	Target Impact	Target Likelihood	Target Score	Risk Owner
	inappropriate behaviour, and failure to comply with governance arrangements				members and officers. *Defined officer roles. *Staff 1:1s and performance appraisals. *Disciplinary procedure. *Adherence to health and safety Policy and procedures. *Staff survey. *Staff engagement activities. *Governance Group bi-monthly meetings. *Council Values and behaviours refreshed and adopted. *Development Plan and Learning & Training Plan in place. *OD Plan in place. *Talent management scheme and apprenticeship scheme in place. *Together Gloucester phase 1 (transformation) delivery.									
SRR1.4	Failure to effectively manage contracts and SLAs with key partners / other significant bodies, including: Amey, Civica, Marketing Gloucester, Aspire, Gloucestershire Airport, VCS organisations,	3	3	9	*Central list held of all contracts and SLAs with named responsible officers and Members. *In set up of the partnerships: -Corporate procurement strategy and procedures; Contract Standing Orders; Constitution requirements; and Availability of advice from legal, finance & procurement. -Documentation on the Council contracts register. *Partnership specific controls required (for each partner): -Documented signed SLA.	3	2	6	Together Gloucester Phase 2, Work Package 5 (Commercialisation)	31-Mar-2019	2	2	4	Corporate Director - Service Transformation

Risk Ref	Risk	Original Impact	Original Likelihood	Original Score	Description	Current Impact	Current Likelihood	Current Score	Further Mitigating Action	Timescale	Target Impact	Target Likelihood	Target Score	Risk Owner
	Gloucestershire County Council (e.g. Audit shared service) a				<ul style="list-style-type: none"> <li>-Lead contact officers assigned to each partner.</li> <li>-Regular performance management meetings, with reporting to SMT/Committee.</li> <li>-SLAs incorporate contingency business plan approach to mitigate loss of service.</li> <li>-Partnership risk registers – either individually or within the service risk register.</li> <li>-Governance arrangements identifying where decisions are taken.</li> <li>-Agreement of SLA KPIs, performance standards and payments (within contract).</li> <li>-Ongoing negotiation with partners to review current contract contents, to ensure up to date (e.g. GDPR considerations) and fit for purpose.</li> </ul>									
SRR1.5	Failure to support and enable business growth within the city	3	3	9	<ul style="list-style-type: none"> <li>*Support local businesses both start up and new - 'Better Business For All'.</li> <li>*Partnership support for skills/jobs and attraction of inward investment.</li> <li>*Council's promotion of city through links with GFirst LEP; Marketing Gloucester; and with adjacent authorities (e.g. JCS).</li> <li>*Cultural Strategy – including 6 monthly review and update.</li> <li>*Liaison with Business Improvement District</li> </ul>	3	2	6	City Plan development and delivery	31-Dec-2019	2	2	4	Head of Place

Risk Ref	Risk	Original Impact	Original Likelihood	Original Score	Description	Current Impact	Current Likelihood	Current Score	Further Mitigating Action	Timescale	Target Impact	Target Likelihood	Target Score	Risk Owner
					(including consideration of uncertainties arising from the UK leaving the EU). *Regeneration and Economic Development Strategy in place. *Ongoing review and bidding for regeneration funding, with continued focus on regeneration sites.									
SRR1.6	Loss of finance, resource and reputation due to fraudulent activity	4	3	12	*The following are approved policies available to officers: -Anti-fraud and corruption strategy (including Anti-bribery policy and Anti-money laundering policy). -Whistle blowing policy. -Fraud response plan. *Financial regulations (including standing orders). *Existing internal control framework. *Internal Audit inc. Audit & Governance Committee and annual risk based internal audit plan (deterrent). *External audit presence (deterrent). *Benefit case referral to the Single Fraud Investigation Service – DWP. *Brilliant Basics modules (fraud awareness, project management and influencing skills) available to management team. *SLA with ARA (County hosted) for drawdown of days from Glos. Counter Fraud	4	1	4			4	1	4	Head of Policy & Resources

Risk Ref	Risk	Original Impact	Original Likelihood	Original Score	Description	Current Impact	Current Likelihood	Current Score	Further Mitigating Action	Timescale	Target Impact	Target Likelihood	Target Score	Risk Owner
					Unit for targeted anti-fraud work – Council position reviewed monthly by S151 Officer and Chief Internal Auditor.									
SRR1.7	Failure to deliver key regeneration priorities (including Kings Quarter and Blackfriars)	3	3	9	*Regeneration Advisory Board. *Capital Monitoring Steering Group & existing capital programme controls. *Brilliant Basics modules (project management and influencing skills) available to management team. *Project specific controls that should be in place: -Project plans in place for major schemes. -Project review meetings led by experienced/qualified Members and Officers with third party links/presence (e.g. developers and associated commercial agents). -Project update reporting to Cabinet and Council (in line with project plan milestones). - Re-assessment of projects at appropriate points to review objectives and deliverables. - Maintenance and review of project risk registers for each regeneration project. -Ongoing internal review and financial scrutiny of projects.	3	2	6	Together Gloucester Phase 2, Work Packages	31-Mar-2019	2	2	4	Head of Place
SRR1.8	Failure to manage	4	4	16	*IT Security: -Civica ITO contract includes	4	2	8			4	2	8	Head of Policy & Resources

Risk Ref	Risk	Original Impact	Original Likelihood	Original Score	Description	Current Impact	Current Likelihood	Current Score	Further Mitigating Action	Timescale	Target Impact	Target Likelihood	Target Score	Risk Owner	
	information in accordance with legislation				<p>key IT security control continued delivery with ongoing client monitoring required.</p> <ul style="list-style-type: none"> <li>-Virus protection (desktop, server, email, attachments etc) and fire wall controls.</li> <li>-Monitoring of internet access and restriction on sites permitted to access</li> <li>-E-mail content scanning (incl. Forcepoint).</li> <li>-Physical security and protection of IT suite.</li> <li>-Procedures for login lockdown when IT staff leaving organisation.</li> <li>-Data cleansing of IT equipment prior to disposal.</li> <li>-Client monitoring (in-house intelligent client function) team in place.</li> <li>-IT risk register monthly review and update by the IT Operations Board.</li> <li>*Use of information: <ul style="list-style-type: none"> <li>-FOI procedures; standardised approach; &amp; FOI Champions.</li> </ul> </li> <li>-Information management rules within the Constitution.</li> <li>-Data Protection guide and GDPR implementation/training action plan.</li> <li>-Staff training and induction to confirm appropriate management of information.</li> <li>*Info stored / accessed - Building access controls.</li> </ul>										

Risk Ref	Risk	Original Impact	Original Likelihood	Original Score	Description	Current Impact	Current Likelihood	Current Score	Further Mitigating Action	Timescale	Target Impact	Target Likelihood	Target Score	Risk Owner
					*SIRO role allocated. *Information Governance Board and ICT Strategy Board in place. *Suite of information policies in place and available on NETconsent policy management system.									
SRR1.9	Ability to respond effectively to unexpected events in support of our communities (e.g. weather/terror attack/phone system failure/other)	4	3	12	*Up-to-date Emergency Response Plan, Flood Plan, Vulnerable People Plan, Pandemic Plan etc. drafted in conjunction with agencies, government departments and other local authorities. *Regular review and updating of Emergency Response Plan and other plans. *Allocated Emergency Team Leaders within the Council e.g. District Emergency Controller and Gold Officer roles. *Business continuity plans in place for each Service. *Bad weather policy and communications. *Climate change strategy supported by Local Resilience Forums. *Emergency Contacts list updated every quarter. *Defined Mutual Aid Agreement including all Gloucestershire local authorities. *Continued testing of Emergency Plan arrangements; bi annual	4	2	8	Review and refresh of all service Business Continuity Plans to ensure up to date and appropriate content	31-Mar-2019	3	2	6	Head of Communities

Risk Ref	Risk	Original Impact	Original Likelihood	Original Score	Description	Current Impact	Current Likelihood	Current Score	Further Mitigating Action	Timescale	Target Impact	Target Likelihood	Target Score	Risk Owner
					exercises & live events (e.g. Christmas call out exercise); and use of Mutual Aid agreement. With ongoing shared learning.									
SRR1.10	Council services loss for a significant period, due to failure and limited capacity of IT infrastructure (leading to other financial, reputational and information governance risks)	4	4	16	<ul style="list-style-type: none"> <li>*Up to date IT asset register.</li> <li>*Appropriate secure physical location of the servers.</li> <li>*Medium term IT infrastructure investment budget agreed and delivered within 2016/17.</li> <li>*Infrastructure/network topology (mapping) with action plan for regular review and update including identification, risk assessment, costing and priority ranking of IT infrastructure options for investment.</li> <li>*PSN Compliance Certificate achieved.</li> <li>*ICT Business Continuity Plan review and renewal completed (platform for DR and to be expanded for use as the platform for all GCC systems post relocation from HKP).</li> <li>*ICT Strategy in place.</li> <li>*Information Governance Board and ICT Security Board in place.</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>IT internal audit to be completed to support ICT action plan</li> <li>Review and refresh of all service Business Continuity Plans to ensure up to date and appropriate content</li> </ul>	<ul style="list-style-type: none"> <li>31-Mar-2019</li> <li>31-Mar-2019</li> </ul>	4	2	8	Head of Policy & Resources
SRR1.11	Inability of the Council to identify viable plans to achieve savings	4	4	16	*Budget setting process – including consultation; management/leadership input into savings targets; and Overview & Scrutiny and	4	2	8			4	2	8	Head of Policy & Resources

Risk Ref	Risk	Original Impact	Original Likelihood	Original Score	Description	Current Impact	Current Likelihood	Current Score	Further Mitigating Action	Timescale	Target Impact	Target Likelihood	Target Score	Risk Owner	
Page 130					<p>Council involvement.</p> <p>*SMT and Cabinet review and approval of Money Plan savings delivery options – including commissioning and alternative delivery opportunities for savings and income generation.</p> <p>*Allocation of individual savings/income targets to an SMT sponsor, Cabinet Member and leading manager.</p> <p>*Rigorous monthly monitoring of the Council's financial position - monthly income / budget monitoring at budget holder level (Finance led) and by SMT.</p> <p>*Engagement with GMT to ensure corporate ownership of financial challenges and need for active identification of efficiency &amp; income opportunities for the Council.</p>										
	SRR1.13	Inability of the Council to deliver the Corporate Plan to 2020	3	4	12	<p>*Corporate Plan developed jointly by Cabinet and Senior Management Team, scrutinised and endorsed by the wider Council membership.</p> <p>*Corporate Plan approval completed.</p> <p>*Budget Strategy and Money Plan designed to appropriately resource the delivery of the Corporate Plan.</p> <p>*Performance management</p>	3	2	6			3	2	6	Managing Director

Risk Ref	Risk	Original Impact	Original Likelihood	Original Score	Description	Current Impact	Current Likelihood	Current Score	Further Mitigating Action	Timescale	Target Impact	Target Likelihood	Target Score	Risk Owner
					framework. *Service planning processes to ensure Corporate Plan link to Service Plans. *Appraisal processes link personal objectives and development needs to the needs of the organisation, talent development and personal well being.									
SRR1.14	Negative financial implications due to inappropriate delivery and management of the Property Investment Strategy; and a risk of political priorities diluting commercial considerations around hedging	4	4	16	*Property Investment Strategy (including risk management considerations) endorsed by Cabinet and approved by Council. *Property Investment Board set up with a defined Terms of Reference to oversee the investment of the £80m fund. *Council approved delegation of authority to the Council Solicitor to conclude documents (in line with senior officer agreed heads of terms) to enable completion of each acquisition. *Property Investment Board to receive investment prospectus and officer evaluations of potential property acquisitions; to make recommendations to the s151 Officer with regards to investment; and to oversee the due diligence and acquisition process in accordance with the Property Investment Strategy. *Property Investment Board	4	2	8			4	2	8	Head of Policy & Resources

Risk Ref	Risk	Original Impact	Original Likelihood	Original Score	Description	Current Impact	Current Likelihood	Current Score	Further Mitigating Action	Timescale	Target Impact	Target Likelihood	Target Score	Risk Owner
					to monitor fund position (including cost of borrowing) and the management of the estate, with outcomes to be reported to senior officers and Members. *Legal implications ongoing review to ensure relevant local authority powers remain in place to support the Property Investment Strategy.									

**Scoring risk:**

The impact and likelihood of any risk is evaluated on a scale of 1-4, with the product of the two (impact score multiplied by likelihood score) representing the risk score.

<b>Impact</b> Catastrophic ↑ Minor	Low 4	High 8	Very High 12	Very High 16
	Low 3	Medium 6	High 9	Very High 12
	Low 2	Low 4	Medium 6	High 8
	Low 1	Low 2	Low 3	Low 4
		<b>Likelihood</b> Very Unlikely → Very Likely		

The interpretation of the scores for both impact and likelihood are detailed on Pentana.



<b>Meeting:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>5 December 2018</b>
<b>Subject:</b>	<b>Risk Based Verification</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance &amp; Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Ali Bell, Intelligent Client Officer</b>		
	<b>Email: alison.bell@gloucester.gov.uk</b>	<b>Tel:</b>	<b>396401</b>
<b>Appendices:</b>	<b>1. Risk Based Verification Policy (Exempt Category 7)</b> <b>2. HB/CTB Circular S11/2011</b>		

**GENERAL RELEASE / EXEMPTIONS**

The report and Appendix 2 are for general release, however, the public are likely to be excluded from the meeting during consideration of Appendix A to this report as it contains exempt information as defined in paragraph (7) of schedule 12A to the Local Government Act 1972 (as amended).

**1.0 Purpose of Report**

1.1 To approve the annual review of the Risk Based Verification Policy in determining evidence requirements for the assessment of new Housing Benefit and Council Tax Support claims.

**2.0 Recommendations**

2.1 Cabinet is asked to **RESOLVE:**

- (1) That the reviewed Risk Based Verification Policy for verifying Housing Benefit and Council Tax Support claims be approved.
- (2) That the reviewed Risk Based Verification Policy as at December 2018 be approved for immediate implementation.

**3.0 Background and Key Issues**

3.1 Risk-Based Verification (RBV) was implemented in March 2014 to apply different levels of checks to different new claims made for Housing Benefit and Council Tax Support in line with DWP guidance (HB/CTB S11/2011 Risk-Based Verification of HB/CTB Guidance)

3.2 The Department of Work and Pensions have previously recommended we review our policy following a potential impact on Local Authority error rates from the Housing Benefit subsidy claim for 2015/16. Ongoing work in this area has identified

that the policy needs slightly amending to clarify acceptable evidence for passported Housing Benefit and Council Tax Support claims.

- 3.3 The proposed reviewed policy will clarify that identity and national insurance number (NINO) checks can be undertaken for passported Housing Benefit and Council Tax Support claims by processing officers directly accessing the Department for Work and Pensions database to verify identity and NINO

#### **4.0 Asset Based Community Development (ABCD) considerations**

- 4.1 None

#### **5.0 Alternative Options Considered**

- 5.1 None

#### **6.0 Reasons for Recommendations**

- 6.1 The policy must be reviewed periodically to ensure it remains compliant in line with DWP guidance and creates the best experience for our Housing Benefit and Council Tax Support customers.

#### **7.0 Future Work and Conclusions**

- 7.1 None.

#### **8.0 Financial Implications**

- 8.1 None

#### **9.0 Legal Implications**

- 9.1 The risk based verification policy complies with the recommendations from the Department of Work and Pensions (DWP) outlined in Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011. This circular can be found at Appendix 2. It should be noted that this policy will be the basis on which we are audited in the future and complies with the Social Security (Administration) Act 1992. Providing we comply with this policy, we will be deemed to be verifying claims in the correct way. The policy must be approved by the Council's Section 151 Officer and adopted by the Council.

- 9.2 Risk Based Verification applies to all New Claims for Housing Benefit and Council Tax Support.

- 9.3 The course of action to be taken in respect of the risk scored is governed by this policy. As such there should not be any equalities impact.

(One Legal have been consulted in the preparation of this report)

#### **10.0 Risk & Opportunity Management Implications**

- 10.1 An evaluation of the risk associated with the implementation of this policy was carried out when implemented. Fraud will be carefully monitored to mitigate the risk

any increase with a baseline set to monitor against. Gloucester City Council's client team will continue to see claims from all levels of risk and will review 10% at all levels.

The software will randomly select 5% of low risk claims to be High Risk

## **11.0 People Impact Assessment (PIA) and Safeguarding**

11.1 No potential impact identified

## **12.0 Other Corporate Implications**

12.1 None

**Background Documents:** None

This page is intentionally left blank

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

## Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

1<sup>st</sup> Floor, Caxton House, Tothill Street, London SW1H 9NA

# HB/CTB S11/2011

### SUBSIDY CIRCULAR

<b>WHO SHOULD READ</b>	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
<b>ACTION</b>	For information
<b>SUBJECT</b>	Risk-Based Verification of HB/CTB Claims Guidance

### Guidance Manual

The information in this circular does not affect the content of the HB/CTB Guidance Manual.

### Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at <http://www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications/hbctb-circulars/>
- have any queries about the
  - **technical content of this circular**, contact  
Email: [HBCTB.SUBSIDYQUERIES@DWP.GSI.GOV.UK](mailto:HBCTB.SUBSIDYQUERIES@DWP.GSI.GOV.UK)
  - **distribution of this circular**, contact  
Email: [HOUSING.CORRESPONDENCEANDPQS@DWP.GSI.GOV.UK](mailto:HOUSING.CORRESPONDENCEANDPQS@DWP.GSI.GOV.UK)

### Crown Copyright 2011

Recipients may freely reproduce this circular.

Contents

para

**Risk-Based Verification of HB/CTB Claims Guidance**

Introduction..... 1  
Background ..... 2  
What is RBV? ..... 5  
How does RBV work?..... 8  
The Requirements for LAs that adopt RBV ..... 14  
How RBV claims will be certified ..... 18  
Other considerations ..... 19  
What are the subsidy implications ..... 20

## Risk-Based Verification of HB/CTB Claims Guidance

### Introduction

1. This guidance outlines the Department's policy on Risk-Based Verification (RBV) of Housing Benefit and Council Tax Benefit (HB/CTB) claims.

### Background

2. RBV allows more intense verification activity to be focussed on claims more prone to fraud and error. It is practiced on aspects of claims in Jobcentre Plus (JCP) and the Pension Disability and Carers Service (PDCS). Local authorities (LAs) have long argued that they should operate a similar system. It is the intention that RBV will be applied to all Universal Credit claims.
3. Given that RBV is practised in JCP and PDCS, the majority (up to 80%) of HB/CTB claims received in an LA may have been subject to some form of RBV. Already 16 LAs operate RBV. Results from these LAs have been impressive. In each case the % of fraud and error identified has increased against local baselines taken from cells 222 and 231 of the Single Housing Benefit Extract (SHBE). In addition, in common with the experience of JCP and PDCS there have been efficiencies in areas such as postage and storage and processing times have improved.
4. We therefore wish to extend RBV on a **voluntary basis** to all LAs from April 2012.

This guidance explains the following;

- What is RBV?
- How does RBV work?
- The requirements for LAs that adopt RBV
- How RBV claims will be certified
- What are the subsidy implications?

### What is RBV?

5. RBV is a method of applying different levels of checks to benefit claims according to the risk associated with those claims. LAs will still be required to comply with relevant legislation (Social Security Administration Act 1992, section 1 relating to production of National Insurance numbers to provide evidence of identity) while making maximum use of intelligence to target more extensive verification activity on those claims shown to be at greater risk of fraud or error.
6. LAs have to take into account HB Regulation 86 and Council Tax Benefit Regulation 72 when verifying claims. The former states:

*“a person who makes a claim, or a person to whom housing benefit has been awarded, shall furnish such certificates, documents, information and evidence in connection with the claim or the award, or any question arising out of the claim or the award, as may reasonably be required by the relevant authority in order to determine that person’s entitlement to, or continuing entitlement to housing benefit and shall do so within one month of being required to do so or such longer period as the relevant authority may consider reasonable.”*

Council Tax Benefit Regulation 72 is similar.

7. These Regulations do not impose a requirement on authorities in relation to what **specific** information and evidence they should obtain from a claimant. However, it does require an authority to have information which allows an **accurate assessment** of a claimant’s entitlement, both when a claim is first made and when the claim is reviewed. A test of reasonableness should be applied.

### **How does RBV work?**

8. RBV assigns a risk rating to each HB/CTB claim. This determines the level of verification required. Greater activity is therefore targeted toward checking those cases deemed to be at highest risk of involving fraud and/or error.
9. The classification of risk groups will be a matter for LAs to decide. For example, claims might be divided into 3 categories:
  - **Low Risk Claims:** Only essential checks are made, such as proof of identity. Consequently these claims are processed much faster than before and with significantly reduced effort from Benefit Officers without increasing the risk of fraud or error.
  - **Medium Risk Claims:** These are verified in the same way as all claims currently, with evidence of original documents required. As now, current arrangements may differ from LA to LA and it is up to LAs to ensure that they are minimising the risk to fraud and error through the approach taken.
  - **High Risk Claims:** Enhanced stringency is applied to verification. Individual LAs apply a variety of checking methods depending on local circumstances. This could include Credit Reference Agency checks, visits, increased documentation requirements etc. Resource that has been freed up from the streamlined approach to low risk claims can be focused on these high risk claims.
10. We would expect no more than around 55% of claims to be assessed as low risk, with around 25% medium risk and 20% high risk. These figures could vary from LA to LA according to the LA’s risk profiling. An additional expectation is that there should be more fraud and error detected in high risk claims when compared with medium risk claims and a greater % in medium risk than low risk. Where this proves not to be the case the risk profile should be revisited.
11. LAs may adopt different approaches to risk profile their claimants. Typically this will include the use of IT tools in support of their policy, however, the use of clerical systems is acceptable.

12. Some IT tools use a propensity model<sup>1</sup> which assesses against a number of components based on millions of claim assessments to classify the claim into one of the three categories above. Any IT system<sup>2</sup> must also ensure that the risk profiles include 'blind cases' where a sample of low or medium risk cases are allocated to a higher risk group, thus requiring heightened verification. This is done in order to test and refine the software assumptions.
13. Once the category is identified, individual claims cannot be downgraded by the benefit processor to a lower risk group. They can however, exceptionally, be upgraded if the processor has reasons to think this is appropriate.

### **The requirements for LAs that adopt RBV**

14. RBV will be voluntary. However, all LAs opting to apply RBV will be required to have in place a **RBV Policy** detailing the risk profiles, verification standards which will apply and the minimum number of claims to be checked. We consider it to be good practice for the Policy to be examined by the authority's Audit and Risk Committee or similar appropriate body if they exist. The Policy must be submitted for Members' approval and sign-off along with a covering report confirming the Section 151 Officer's (section 85 for Scotland) agreement/recommendation. The information held in the Policy, which would include the risk categories, should not be made public due to the sensitivity of its contents.
15. The Policy must allow Members, officers and external auditors to be clear about the levels of verification necessary. It must be reviewed annually but not changed in-year as this would complicate the audit process.
16. Every participating LA will need a robust baseline against which to record the impact of RBV. The source of this baseline is for the LA to determine. Some LAs carry out intensive activity (along the lines of the HB Review) to measure the stock of fraud and error in their locality. We suggest that the figures derived from cells 222 and 231 of SHBE would constitute a baseline of fraud and error currently identified by LAs.
17. Performance using RBV would need to be monitored monthly to ensure its effectiveness. Reporting, which must be part of the overall Policy, must, as a minimum, include the % of cases in each risk category and the levels of fraud and error detected in each.

### **How RBV claims will be certified?**

18. Auditors will check during the annual certification that the subsidy claim adheres to the LA's RBV Policy which will state the necessary level of verification needed to support the correct processing of each type of HB/CTB claim. The risk category will need to be recorded against each claim. Normally the LA's benefit IT/clerical system will allow this annotation.

<sup>1</sup> Whilst DWP is of the opinion that the use of IT will support the success of RBV, it does not in anyway endorse any product or company

<sup>2</sup> The same safeguard must be applied to clerical systems

## Other considerations

19. The sample selection for HB/CTB cases will not change i.e. 20 cases will be selected for each headline cell on the claim form. The HB COUNT guidance used by the external auditors for certification will include instructions for how to deal with both non-RBV and RBV cases if selected in the sample. For non-RBV cases, the verification requirements will remain the same i.e. LAs will be expected to provide all the documentary evidence to support the claim.

## What are the subsidy implications?

20. Failure by a LA to apply verification standards to HB/CTB claims as stipulated in its RBV Policy will cause the expenditure to be treated as LA error. The auditor will identify this error and if deemed necessary extrapolate the extent and, where appropriate, issue a qualifying letter. In determining the subsidy implications, the extrapolation of this error will be based on the RBV cases where the error occurred. For this reason, it is important that RBV case information is routinely collected by ensuring that LA HB systems incorporate a flag to identify these RBV cases. If sub-populations on RBV cases can not be identified, extrapolations will have to be performed across the whole population in the particular cell in question.
21. We will now work with the respective audit bodies to incorporate this into the COUNT guidance. If you have any queries please contact Manny Ibiayo by e-mail [HBCTB.SUBSIDYQUERIES@DWP.GSI.GOV.UK](mailto:HBCTB.SUBSIDYQUERIES@DWP.GSI.GOV.UK)



<b>Meeting:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>5 December 2018</b>
<b>Subject:</b>	<b>Regeneration at Kings Quarter</b>		
<b>Report Of:</b>	<b>Cabinet Member for Regeneration and Economy</b>		
<b>Wards Affected:</b>	<b>Westgate</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Philip Ardley, Consultant - Place</b>	<b>Tel:</b>	<b>396107</b>
	<b>Email: philip.ardley@gloucester.gov.uk</b>		
<b>Appendices:</b>	<b>A – Costs of Enabling Works and Additional Legal Implications (exempt by virtue of paragraphs (3) and (5) of schedule 12A to the Local Government Act 1972)</b>		
	<b>B – Plan A</b>		

## GENERAL RELEASE / EXEMPTIONS

The report and Appendix B are for general release; however, the public are likely to be excluded from the meeting during consideration of Appendix A to this report as it contains exempt information as defined in paragraphs (3) and (5) of schedule 12A to the Local Government Act 1972 (as amended).

### 1.0 Purpose of Report

1.1 To secure approval for necessary capital enabling costs (see Appendix A Table 1) to carry forward the momentum generated by the Kings Quarter regeneration project and ready the site for development.

### 2.0 Recommendations

2.1 Cabinet is asked to **APPROVE** the following activities to assist in achieving the delivery and discharge of likely planning conditions for a newly refurbished Kings Square by the Autumn of 2020. This will also enable the continued momentum of the Kings Quarter project.

- (1) Procurement of a demolition contractor to remove the former Furniture Recycling Project part of Grosvenor House and the old bus station structures.
- (2) Procurement of archaeological and soil investigations for the proposed sites of Plot 1, 2 and 4.
- (3) Procurement of a below ground geotechnical survey to agree the foundation structure for a new substation on Plot 2.
- (4) Procurement of a Construction Design Management (CDM) Principal Designer. This is a legal requirement and must be in place prior to commencement of works on Kings Square and the wider quarter.

(5) Satisfaction of various planning conditions associated with Kings Square likely to include archaeological surveys, ground investigations and detailed construction drawings to enable the procurement of the contractors by Autumn 2019.

(6) Appointment of a legal advisor to provide assistance with the development of the S106 agreement.

2.2 Cabinet is asked to **NOTE** that subject to any necessary consents being obtained and the bids from the procurements listed in recommendation 2.1 being in budget, the Head of Place, in consultation with the Council Solicitor, will award the contracts to enable those works to be undertaken before determination of the planning application.

2.3 Cabinet is also asked to **NOTE** that the cost of refurbishing Kings Square is included in the Council's draft capital programme to be presented to Full Council in February 2019. Further budget will need to be identified for the next phases of the regeneration programme. Preliminary Enabling Works associated with this have been listed in Appendix A Table 2.

### **3.0 Background**

3.1 This report seeks approval for a budget to meet the enabling costs highlighted in a report to Cabinet on 12 September 2018 as being critical to ensuring that the discharge of planning conditions relating to Kings Quarter can be met and therefore enable the delivery of a refurbished Kings Square by Autumn 2020. A more detailed breakdown of the costs can be found in Appendix A Table 1.

3.2 Since approval of the business plan by Cabinet on the 13<sup>th</sup> September 2017, the project has been progressing in line with expectations. GVA are programmed to submit a hybrid planning application for Kings Square and Kings Quarter respectively towards the end of November 2018. This follows a period of intense stakeholder and public consultation over the course of the Spring and Summer.

3.3 This application will request detailed consent for the new public realm including Kings Square and changes to Market Parade, creation of a new pedestrianised street, Plot 1, 2 and 3a and b (Kings House). Outline consent will be requested for Plots 3c, 3d and 4.

3.4 Plan A attached to this Report identifies the respective locations of all plots referenced above.

3.5 The public consultation that took place in September 2018 was very successful and over 400 visits to the website have been logged so far. In addition, we have received 37 responses to the consultation process, the majority of which have been positive. This information will be collated and provided verbatim in a Statement of Community Involvement to support the planning applications. The number of responses was relatively low, but it needs to be borne in mind that previous consultations have taken place and the proposals put forward were consistent with the majority of comments previously received.

3.6 Cabinet will be aware that the Project Manager has been working with the Cultural Services Team, Gloucester Culture Trust and the City Council's Place team and its

partners to develop a bid for the Culture Development Fund. This grant fund provides capital and revenue support for the creation of new creative workspace and place making. The Council has been successful in getting through to the final round of bidding. We will be notified in January 2019, whether the Council has been granted the £5.6m for the refurbishment of Kings House into a creative incubation hub and infrastructure improvements/artistic development activities at the Guildhall.

- 3.7 Should this funding application not be successful, the ambition for cultural development in Kings Quarter and beyond remains. However, the pace of delivery will be affected.
- 3.8 Finally, the relationship between our asset managers for Kings Walk, Reef Estates, has developed and they are now a regular contributor to the Kings Quarter monthly project meetings and are fully involved in the design/planning process as well as the future branding and marketing efforts. A joint PR messaging strategy is being employed to ensure that all communication with the press and stakeholders is consistent and therefore more powerful.

#### **4.0 Reasons for Recommendations**

- 4.1 To enable the officers and the Project Manager to discharge the potential planning conditions required to bring forward Kings Square for redevelopment by Autumn 2019 and therefore enable delivery of the new square by Autumn 2020.
- 4.2 Now that the new bus station is open, the original bus station will be redundant and has been secured. If we can progress the demolition of these structures, this will provide an essential opportunity to gain access for archaeological investigations required as part of the planning conditions. The Project Manager has worked closely with the Consultant Team and the Council Archaeologist to develop a specification which represents value for money and reduces risk for the Council as landowner.
- 4.3 In addition, if we consider the simultaneous removal of the old Furniture Recycling Project store forming part of Grosvenor House, this will enable the creation of a relocation site for the main substation located on the ground floor of Grosvenor House. Until this substation is successfully relocated the demolition and further development of the site is not feasible.
- 4.4 Satisfaction of the planning conditions will need to be discharged prior to any commencement on site. These include the completion of the arts strategy and is also likely to include the management of various art competitions to identify designs of several art installations planned for the Square.
- 4.5 In order to finalise the delivery strategy and analyse the best course of action for the Council, further specialist legal and property advice will be required and provided by JLL and One Legal. In addition, risk will be further reduced by investment in marketing of the planning consent and the development space it will provide. Securing pre-lets of the new Multi-Storey Car Park in Plot 2 as well as stimulating interest in office and hotel uses for Plot 4 will help to crystalize the best delivery mechanism and the quantum of capital borrowing that may be required.

## **5.0 Future Work and Conclusions**

- 5.1 If approval is consented, further activity and evidence of progress will be provided by the erection of hoarding and demolition at Kings Quarter. It will provide visual confirmation of the Council's commitment to the regeneration of the quarter.
- 5.2 Whilst it is a substantial quantum of funding, all costs will reduce the risk of the development and therefore potentially save further costs in the future from abortive works or delay. It should be noted however that soon further capital borrowing may need to be considered by the Council to bring about the actual construction of both Kings Square and the next phase of Kings Quarter. Presently, it is anticipated that the first to come forward for consideration would be the cost of Kings Square, although this may include Plot 3A and B if the Cultural Development Fund is successful.
- 5.3 Further progress reports on Kings Quarter will continue to be provided and a subsequent approval for the abnormal delivery costs could be brought forward in late Spring 2019.

## **6.0 Legal Implications**

- 6.1 All procurements must be carried out in accordance with the Council's Contract Rules and the Public Contracts Regulations 2015. All contracts above £10,000 must in a form drafted or approved by One Legal.
- 6.2 Overall, there is likely to be substantial legal input in respect of the procurement, contract and property aspects of the proposal including advice on the s106 agreement set out in the recommendations (as appropriate).

(One Legal have been consulted in the preparation of this report)

## **7.0 Financial Implications**

- 7.1 The three-year budget for this Kings Quarter enabling consultancy work was approved by Cabinet on 22<sup>nd</sup> June 2016 for £150,000 per annum and we are currently within that budget.
- 7.2 This paper requests a further approval for enabling works (Table 1) details are provided in Appendix A.
- 7.3 It is proposed that funding from the regeneration fund could help to cover the additional cost. This would be consistent with the Council requirement to ensure that any receipts generated from Blackfriars and the ex- SWRDA transferred assets are used for city regeneration purposes.

(Financial Services have been consulted in the preparation of this report)

## **8.0 Risk & Opportunity Management Implications**

- 8.1 The key risk in the Kings Quarter scheme at this stage is the failure to procure a suitable project development partner and capital funding to take the project forward.

8.2 If planning permission is not granted the costs incurred to date may become abortive.

## **9.0 People Impact Assessment (PIA):**

9.1 At present, there are no adverse impacts identified for any of the Protected Characteristic groups; as the regeneration of Kings Quarter progresses, the design process has been carefully devised to ensure maximum community engagement with a focus on achieving engagement with disabled and other minority groups. Further Impact Assessments will be considered as part of the planning process.

## **10.0 Other Corporate Implications**

### Community Safety

10.1 Safety of the public will be managed during the Kings Quarter regeneration by the City Council and their appointed Construction Design Management health & safety advisor in association with the main contractor.

### Sustainability

10.2 None specific to this report, although sustainability will be considered when specifying products, and in construction methods.

### Staffing & Trade Union

10.3 None.

**Background Documents:** None

This page is intentionally left blank

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



Page 161

**Notes**

THIS DRAWING READ IN CONJUNCTION WITH :

- KEY**
- King's Square - Detailed Planning Application Area = 9,664 sqm
  - Plot 1- Detailed Planning Application Commercial and Residential Area = 1,223 sqm
  - Plot 2 - Detailed Planning Application MSCP, Residential, Leisure / Commercial / Start Ups Area = 11,283 sqm
  - Plot 3A - Detailed Planning Application Food Hall (Ground Floor) Creative Hub (Upper Floors)
  - Plot 3B - Detailed Planning Application Commercial and Residential Area = 1,779 sqm
  - King's Quarter - Outline Hybrid Planning Application Includes Detailed for Plots 1, 2, 3A and 3B Residential, Leisure, MSCP, Commercial and other uses Area = 20,486 sqm

P07	Masterplan Updated	23.08.2018	MDLN	KB
P06	Plots 1, 3A, 3B, 3C, 3D and Detailed Extent Updated	15.08.2018	MDLN	GO
P05	Plot 1, 2 and 4 Layout Updated	02.07.2018	MDLN	KB
P04	Plot 2 Layout Updated	31.05.2018	MDLN	KB
P03	Detailed Areas Updated	02.03.2018	MDLN	KB
P02	Detailed Areas Updated	28.02.2018	MDLN	HG
P01	First Issue	15.02.2018	MDLN	BS
Rev	Description	Date	Dr by	App by
original by		date created		Approved by
MDLN		14.02.18		BS

**AHR** AHR Architects Ltd  
 8th Floor  
 Clifton Heights  
 Triangle West  
 Bristol  
 BS8 1EJ  
 United Kingdom

T +44(0)117 9299146  
 E bristol@ahr-global.com  
 www.ahr-global.com

client	Gloucester City Council		
project	Kings Quarter   Gloucester		
drawing	Proposed Application Boundaries		
project number	2017.00963.000	scale	1:500 @A1
drawing number	KQG-AHR-MP-ZZ-DR-A-91-005	rev	P07
		issue status	S0

This drawing is to be read in conjunction with all related drawings. All dimensions must be checked and verified on site before commencing any work or producing shop drawings. The originator should be notified immediately of any discrepancy. This drawing is copyright and remains the property of AHR.

This page is intentionally left blank